

# Steel workers vote for direct ballot on company pay offer

British Steel workers have voted by more than a two to one majority for a ballot on the management's 14.4 per cent pay and productivity offer. The corporation said it was a mandate to return to work, but Mr William Sirs, the main union leader, dismissed the result as irrelevant to today's talks. He would not hold a second poll.

## Result irrelevant, Mr Sirs says

By Donald Macintyre

The British Steel Corporation will today press the steel unions to put its 14.4 per cent pay and productivity offer to a full vote of their 130,000 striking members after results showing a 69 to 31 per cent majority in favour of a ballot.

A total of 58,502 voted "yes" in the "ballot about a ballot" carried out for the corporation by the Electoral Reform Society, and 26,517 voted "no". There were 1,413 spoilt papers and 35 blank ones.

Sir Charles Vickers, chairman of British Steel, made it clear that he hoped the result, which was announced at the corporation's London headquarters yesterday, as showing that a majority of the workers wanted to return.

Mr Robert Schooley, chief executive of the corporation, went further still, saying: "The blatantly obvious thing would be for Mr William Sirs (general secretary of the Iron and Steel Trades Confederation) and his colleagues to call off the strike tomorrow. That would be a bit of common sense stuff, which is at a bit of a premium nowadays."

Mr Sirs last night challenged both the validity of the ballot and the corporation's interpretation of its results. He made it clear that while he would discuss the matter with other unions he had no intention of holding a ballot on the offer.

Mr Sirs dismissed the results of the ballot as "irrelevant" to the negotiations today at which the 13 steel unions will present fresh counter-proposals to the corporation's offer of 10 per cent, subject to national conditions, and a further 4.4 per cent conditional on local productivity deals.

He added: "I am hopeful that we will make progress tomorrow. But if we do not

make progress and the corporation stick by their 10 per cent and by their stupid obstinacy there will be no agreement and no let up by this union or the other unions concerned."

Sir Charles said of the turnout in the poll: "I am bound to call this a strong ballot. By no stretch of the imagination is it a weak ballot. It is extremely interesting in view of the fact that a boycott was put on the ballot in its early days by the executive of the ISTC."

Noting that there had been more than a two to one majority of those voting in favour of a second ballot, Sir Charles added: "It does seem that the workforce is saying to us: 'give us the opportunity to have this ballot'. The sense behind it all is that we want to go back to work and that indeed is what we thought ourselves."

Mr Schooley appeared to rule out the possibility that BSC would today improve its offer in negotiations to the 14 to 18 per cent level which the unions are thought to be seeking. "The workforce do not expect us to prolong negotiations. They are clearly prepared to vote on the offer as it stands."

In complete contrast, however, Mr Sirs said that the ballot results were "very good for the trade unions." The results showed only 44 per cent of the workforce had voted in favour of the second ballot on the offer itself.

Mr Sirs said he believed that the Electoral Reform Society had not been allowed to carry out a "free and fair" election. The unions themselves had not been consulted about the organization of the ballot.

He said that the corporation had been using "very old lists" of employees' addresses and that there was evidence that managers and apprentices not on

strike had in some cases been sent ballot papers.

Mr Sirs also clashed with the corporation over his charges that management had thrown doubts on the fairness of the ballot by allowing ballot officers at plants where "anybody could go in and get a ballot paper."

Mr Peter Broxham, director of industrial relations, said only a "few hundred" spare ballot papers had been sent to each ballot office.

Mr Sirs' argument that less than half of the workforce had voted was effectively taken up by a precedent set by British Leyland when the management rejected a six to four vote on its pay offer on the grounds that under 50 per cent of car workers had actually voted "no".

It is unclear how many of the 86,467 votes returned were from ISTC members who had originally been ordered to boycott the ballot.

In the latter stages Mr Sirs made it clear he did not object to members voting "no" after instructions to do so had been sent out by some local area officials. The 11 unions under the umbrella of the National Craft Coordinating Committee did not nationally advise their members on the ballot.

Our Political Staff writes: While taking care not to read too much into the result of the ballot by the striking steel men, senior ministers drew quiet satisfaction last night from this further evidence that people want common sense rather than militant brute force to prevail in the affairs of the nation.

Mrs Margaret Thatcher has always maintained that the British are too honest a people to overlook the evidence when it is put before them.

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Mr Mostyn (Moss) Evans, the transport workers' leader, addressing the rally yesterday, with Mr Len Murray, Mr Clive Jenkins and Mr William Sirs.

## Thousands hear Murray attack on Tory policies

By Ian Bradley

The Government is succeeding in its strategy of deliberately creating unemployment to weaken trade unionism, Mr Len Murray, general secretary of the Transport Union Congress, told a mass rally of unionists in London yesterday afternoon. That was not an economic policy but a philosophical attitude, he said.

Mr Murray spelt out the message of the Trafalgar Square rally to the Government: "Stop the cuts, stop forcing prices up, stop the sackings, stop attacking trade unionism, stop avoiding your responsibilities, start listening, start talking, not just to the TUC, but to the people of Britain."

The numbers for the rally, which came at the end of a march through central London in protest against the Government's economic and social policies and the Employment Bill, fell considerably short of estimates by the TUC last week suggesting that more than 100,000 trade unionists would take part.

In fact, the Metropolitan Police estimated that only about 30,000 people marched, on the basis of a count of heads as the march left its starting point of Hyde Park, Trafalgar Square, which holds about 40,000 people, was never full during the two-hour rally although Mr Tom Jackson, general secretary of the Union of Post Office Workers and chairman of the rally, told those present that "there have been 140,000 people marching today".

Despite the poor turnout, in comparison with the 100,000 who demonstrated against the Conservatives' industrial relations policy in 1971, the march took three hours to leave Hyde Park.

When the rally finished at 4.30 pm, contingents were still filing into Trafalgar Square.

The march was led by senior figures in the TUC, with Mr William Sirs, general secretary of the Iron and Steel Trades Confederation, in the middle of the front row next to Mr Murray.

Behind the leaders came the Dysons and Duddon pipe band, one of 10 bands taking part in the march. Members of individual unions, led by the miners, followed in groups behind their banners.

In Trafalgar Square the speeches of leading members of the TUC General Council were constantly interrupted and heckled by a noisy group calling for a general strike against the Government. A group standing under a banner from the Yorkshire area of the National Union of Mineworkers kept up a continuous chant of "Maggie, Maggie, out, out, out" and "Attila the hen from Number 10".

Mr Murray was loudly booed when he told the rally: "We have made clear to Mr Prior again and again our willingness to sit down and talk with him. We are still willing to talk to the Government. He went on, however, to warn the Government that 'if they do things their way, without talking to us, let it be on their own heads'."

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## Handover of hostages still blocked in Iran

Tehran, March 9.—The proposed transfer of the American Embassy hostages to government control failed to materialize for the second consecutive day today. Mr Sadeq Qorbadeh, the Foreign Minister, said that their student captors had no intention of handing them over.

The students told a press conference that they were ready to place the 49 Americans in government custody at any time as long as the public was told of the schedule in advance.

That condition was put to the authorities during a meeting today between three Foreign Ministry representatives and members of the student council, the students said.

In a statement issued by the official Pars news agency, Mr Qorbadeh said the aim of the students' insistence on advance public knowledge of the operation was to allow demonstrators to gather at the embassy and prevent the transfer.

Several thousand demonstrators gathered outside the occupied compound throughout the day, chanting pro-student slogans and listening to communiques broadcast by loudspeakers on the embassy walls. The students confirmed at the press conference that they would not accept Mr Qorbadeh as the Government's representative in the transfer. Yesterday

## Impressive victory for Mr Reagan and Connally setback in primary

From David Cross  
Columbia, South Carolina,  
March 9

The first southern primary vote in this year's presidential election campaign has provided Mr Ronald Reagan, a former Governor of California, with his most impressive victory to date.

It probably has also dealt a fatal blow to the aspirations of Mr John Connally, a former Governor of Texas, who had made the South Carolina Republicans primary vote a crucial test of his popularity.

Mr Reagan had 54 per cent of yesterday's South Carolina votes and Mr Connally had 30 per cent. Mr George Bush, a former Director of the Central Intelligence Agency, the other leading contender for the Republican nomination, finished a distant third with only 15 per cent of the vote.

In a telephone linkup with his supporters in this state capital late last night, Mr Reagan pronounced himself "cautiously ecstatic" about the outcome. Speaking from Miami where he was campaigning for Tuesday's Florida primary, he said he could not believe the scale of his victory. "It exceeded anything I had expected," he added. "God bless you all and thank you."

About 100 well-wishers who would have looked at home in

any British Young Conservative club applauded loudly and then returned to their free barbecued chicken and cheese dip. A few minutes earlier in a hotel on the other side of town, a defeated Mr Connally had put a brave face on his defeat.

Surrounded by posters proclaiming: "Connally a winner" and "Connally can", the former Governor of Texas said he was going home to Houston to reassess his campaign. "We did not manage to overtake the champ," he said ruefully. "But perhaps somewhere down the road we can."

This attempt to leave his options open failed to remove the clear impression that he would soon leave the campaign trail. Senator Strom Thurmond, the 77-year-old legend in this highly conservative state who has campaigned ceaselessly by Mr Connally's side, seemed to think that Mr Connally would bow out gracefully.

"This is a comparatively young man. He is going to be a president yet," he said. Presumably he was thinking of the 1984 election.

Mr Connally had invested a great amount of time, energy and money in his attempt to win South Carolina. He spent 17 days travelling across the state by bus to visit small farm-

ing communities that had never before seen a presidential candidate in the flesh. The campaign here cost nearly \$500,000 (\$230,000), much of it spent on television and radio advertising which filled the airwaves last week.

He had failed to make any impact whatsoever in the three earlier primaries in the north and he had yesterday either to beat Mr Reagan or finish a strong second if his candidacy was to be taken at all seriously. To date he has secured just one delegate to the Republican national convention in Detroit this summer at a cost of about \$10m (£4.7m).

Even this enormous sum of money has been insufficient to pay all his expenses, and he began to trim his staff and his expenses outside South Carolina well before yesterday's vote.

His poor showing will hamper any new initiative to raise more funds. Even the well-heeled business community, which likes his forceful personality and his way with words will be reluctant to pour more money after a perceived loser.

Mr Bush, too, was hoping for a much higher share of the vote than he obtained. But he could argue that, unlike Mr Connally, he spent very little time canvassing voters in South Carolina.

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## Mugabe aim to be 'good neighbour' of S. Africa

From Dan van der Vat  
Lusitania, March 9

Mr Robert Mugabe, Prime Minister-designate of Zimbabwe, took time off from the unexpectedly difficult task of completing his Cabinet this weekend to spell out a remarkably cautious policy on relations with South Africa.

Mr Mugabe's presentation of a new leader since his landslide election victory has already aroused much comment at his stance on South Africa, disclosed in an interview with journalists from south of the border, may get him into trouble with his own left wing before long.

He said there would be no disruption of present trade with South Africa, nor would his government allow black guerrillas fighting the white-ruled establishment to establish bases on Zimbabwean soil.

He expressed revulsion for apartheid and urged the South African government to make racial changes as soon as possible, pointing out that this was a lesson to be learned from "what is happening in this country."

Tourism would be encouraged though visas would be necessary for visitors from South Africa in future. These would be hard to obtain.

Because of the apartheid policy, the nature of future diplomatic relations with South Africa would be carefully considered. But over the weekend Mr Mugabe's Zanu (PF) Party said that it had links with several anti-apartheid groups in South Africa when he won an election by such an unexpectedly comfortable margin.

Mr Mugabe's spokesman was asked: "We would want South Africa to regard us as her good neighbour in the same way that we intend to regard her as a good neighbour in the sense of a right of mutual coexistence between us."

Meanwhile the difficulty of living the problem of what arrangement to give to Mr Joshua Nkomo, Mr Mugabe's main partner in the renewed Front alliance, has led up the process of forming a Cabinet.

Mr Mugabe's spokesman was asked to announce a list of portfolios and the proportion of these that would go to Mr Nkomo and his supporters yesterday without naming names, at the press conference called for this purpose was abruptly cancelled.

Mr Mugabe himself said that would retain the portfolio of defence, that the threatened inclusion of one or two titles, not necessarily from Mr Nkomo's Rhodesian Front, and that there would be "one or two surprises."

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## President Tito's heart weakens still further

From Desha Trevisan  
Belgrade, March 9

President Tito's condition today yet another turn for the worst yesterday and during last night, and the medical report issued at midday today described the situation as "very grave."

Privately, Yugoslav officials are not concealing the fact that a critical stage had been reached. The latest bulletin disclosed increased weakening of the president's heart and more pronounced spontaneous haemorrhages.

It also disclosed that the kidney insufficiency continued to persist, and a specialist treatment. This implies the need for more frequent dialysis and suggests a serious handicap in the fight for Marshal Tito's life as it is improbable that his heart could withstand the strain.

Clearly, even with the support of modern medicine, there are limits to his physical endurance and today's bulletin is the most pessimistic. It remarked that "necessary measures of intensive treatment are being taken."

Six weeks ago President Tito's left leg was amputated. Three days after the operation he was photographed sitting up in bed and smiling, and his aides spoke of a spectacular recovery which seemed to be proceeding well for a fortnight.

Then, four weeks ago, his doctors reported kidney failure. The next day his heart was found to have weakened and thereafter his condition deteriorated dramatically. The President drifted into a coma, and the nation was alerted for the second time in two months to expect the worst. The authorities made preparations for his funeral.

The elaborate succession machinery was swiftly put into gear, and the rule by committee has so far functioned smoothly. The leadership has been showing itself efficient and effective, and it has kept up the country's resolve to defend itself against any external threat by emphasizing Yugoslavia's defence preparedness and by carrying out exercises to prove it.

Since the Soviet-led invasion of Czechoslovakia, Yugoslavia's defence system has been totally reorganized. The constitution was amended to make surrender illegal, and alongside the regular armed forces of 250,000 there is now a 3-million-strong people's defence system. In which every citizen has a specific role to play and every farm village and factory has its strategic plan and weapons.

The leadership has also maintained close links with the world non-aligned movement.

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## Rolls-Royce will report £100m US deals loss

Unfavourable exchange rates on American contracts have cost Rolls-Royce £100m losses, it will be revealed at the state-owned aero engine company's report and accounts meeting in a few weeks. The report is bound to create a parliamentary storm and reopen controversy on Rolls-Royce's relationship with the National Enterprise Board which was effectively ended last autumn by Sir Keith Joseph, Secretary of State for Industry.

The Basques region of Spain voted to elect its first regional parliament and 40 years of direct rule from Madrid. The results are due today. The nationalist parties were expected to win most of the 60 seats in the new assembly.

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## Minister criticizes rate increases

Rate increases for the coming year were far higher than the Government wished, Mr Tom King, Minister for Local Government, told the Conservative Party's local government conference. He criticized Labour authorities for their apparent determination to ignore the need to economize.

£13m food stockpile  
A big increase in Government spending on civil defence this year will include £13m to replenish food stockpiles kept in depots throughout Britain in case of war. The stores include basics such as flour, sugar, refined fat, yeast and biscuits.

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## Mr Carter weighs up anti-inflation package

President Carter is working intensively on his new anti-inflation plan, which will include spending cuts for the next United States fiscal year starting in October. Apart from spending, credit controls are being considered, as well as new curbs on energy. The programme is expected to be announced before March 17. In Britain, Cambridge economists forecast a drop of 20 per cent in engineering output over the next three years.

Tory rebellion threat: Senior ministers are not unduly concerned that backbenchers may revolt if the Budget fails to meet their expectations.

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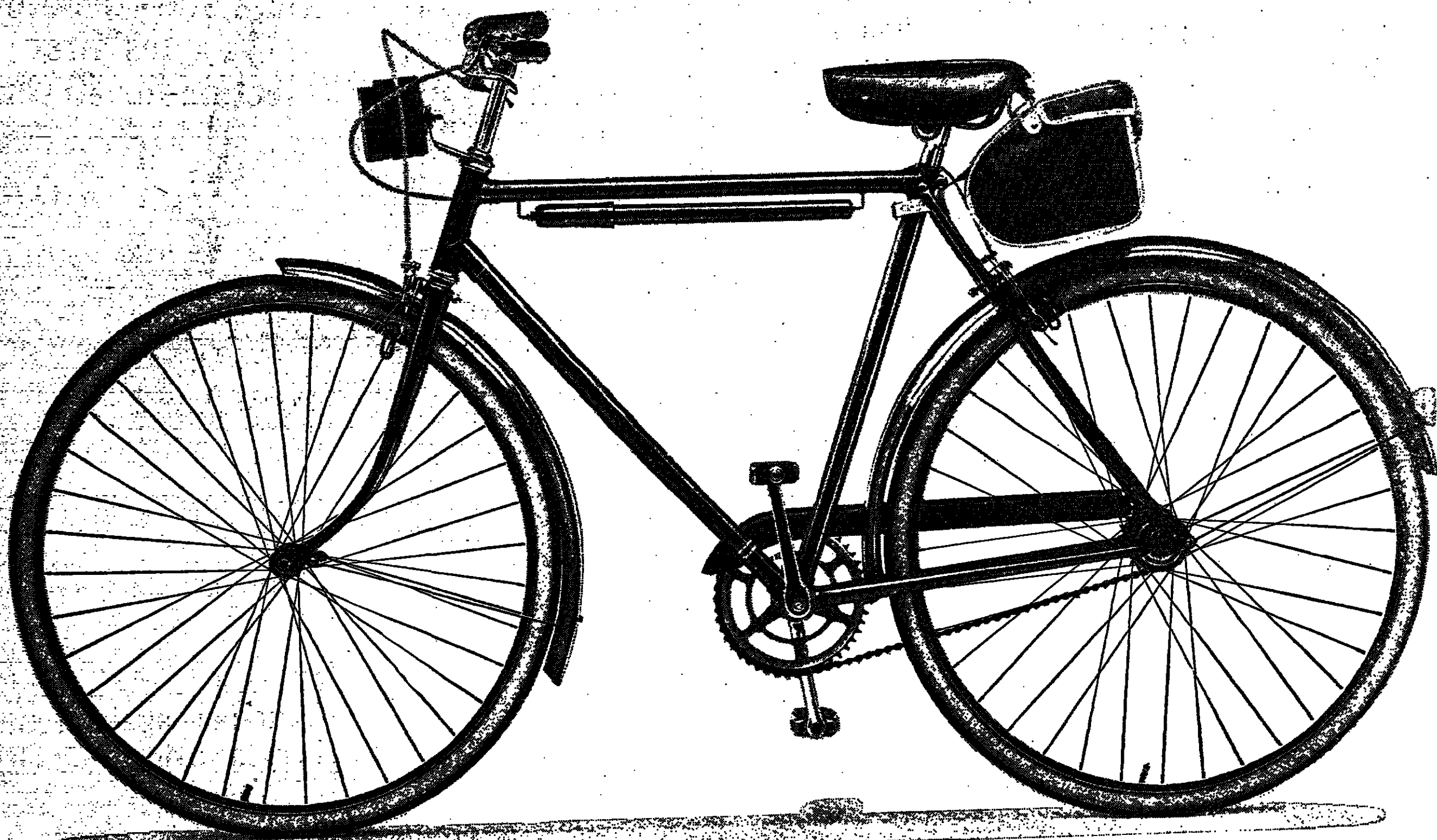
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## HOME NEWS

# Big rise in civil defence spending includes £13m to replenish stockpiles of strategic foods

By Peter Evans  
Home Affairs Correspondent

A big increase in government spending on civil defence this year will include £13m to replenish strategic food stockpiles kept by the Government in depots throughout the country in case of war.

That is almost as much as the £14.6m to which total spending on civil defence had sunk in 1978-79, a steady drop from even more than £25m in 1977-78 (at 1979 survey prices).

The plan is that in the pre-attack period local authorities would be told the location and content of the stockpiles in their areas. No gastronomic treat would be in store. The stores include basics to keep survivors: flour, sugar, refined oil, yeast and special biscuits.

A Home Office circular (ES/1/79) says: "These commodities have been chosen for their value in a post-attack diet of emergency energy and nutrition. They do not constitute a balanced diet, nor are the quantities related to the needs of the population for a particular period."

The first meals after attack would be of hot tea, hot soup, and biscuits or bread.

The government holds limited stocks of hammer mills for simple processing of grain to a form suitable for use as emergency feeding centres, and also mobile bakeries with generators. Once central government had ceased to operate after a nuclear attack regional and subregional commissions in their underground headquarters would be responsible for controlling and releasing food from the national stockpile, stocks dispersed under ministry plans, other large stocks which it had been thought impossible or unnecessary to move, any food imports.

supplies from other regions and supplies on farms.

But planners foresee that "for a considerable time" food distribution would have to be confined to emergency feeding centres for the provision, initially, of basic meals.

Emergency feeding could be organized only when lack of fallout permitted movement (say, from seven to 21 days after nuclear attack) and sufficient food was available.

The basic aim would be to provide each day one meal of the staple type for each person at an emergency feeding centre; but the ultimate objective would be to make people responsible for their own feeding arrangements. The Government would not be able to guarantee that ingredients would be available for balanced meals.

Government plans say it is "most unlikely" that food would be available before attack in sufficient quantity to permit local authorities to build up stocks for emergency feeding after attack; but any residue of the school meal service stocks not required for the wartime headquarters could be used.

There would probably be no electricity, no gas and very little oil of a type suitable for improvised cooking. In some areas supplies of coal might be available; in others wood or rubbish might be the only available fuel.

According to the circular, the Government's intention is that guidance to local authorities on improvised cooking methods, nutritional aspects of emergency feeding and simple methods of food preservation would be provided by the Ministry of Agriculture, Fisheries and Food. Guidance to the public would fall to local authorities.

At county and district levels requisitioning plans would be activated and security arranged for food stocks. One of the peace-time tasks of local authorities is to list premises not included in ministry plans where food might be available for requisitioning.

The Government has advised local authorities that it would be prudent to plan on the assumption that no significant food imports would be received for some time and that all areas, even where no physical damage had been suffered, would have to rely on emergency feeding arrangements.

In the pre-attack period the public would be advised as part of the government campaign of mass information to conserve stocks of food in their homes for use after attack.

No arrangements could ensure that every surviving household would have, say, 14 days' supply of food after attack. But the Government says that even without food many would survive for quite long periods provided they were not too long without water.

An annex to Home Office circular ES 6/1976 says that the sabotage of some large, long-distance pipelines and key pumping installations is possible. Any widespread nuclear attack would seriously damage the water and sewerage systems. If supplies were not available, the circular suggests using tanks, tankers, local wells, streams and other sources.

Water authorities have records for their areas of the natural water of the location and yields of all wells and boreholes in addition to their knowledge of the capacity or flow of reservoirs, rivers and streams. A small stockpile of water supply equipment is kept for use after attack.

## The two words that can condemn patients for years

### Mental handicap services 'at crisis'

By John Roper  
Health Services Correspondent

Two words only. "No room." Frequently condemn patients in special hospitals such as Broadmoor and Rampton to years in those institutions, instead of treatment in ordinary National Health Service hospitals.

Some regional hospital authorities use the words every time they are asked to take a handicapped patient from a special hospital, according to Mrs Susanne Dell, a lecturer at the Institute of Psychiatry, commissioned by the Department of Health and Social Security to investigate the transfer of patients.

At the beginning of this year there were 183 patients in the special hospitals established to care, under maximum security, for men and women found to be particularly dangerous, violent or criminally disposed, who should in senior doctors' opinion have been discharged to ordinary hospital, home or community care.

In the view of Mind (the National Association for Mental Health), ministers' response to the report—setting up a seminar and further staff discussions—is a total failure to act to right a wrong which has been long known but how to put it right, Mr Tony Smythe, director of Mind, says.

Ministers knew that there were patients in the special hospitals who should not be there. They knew about the "swap system" under which an ordinary NHS hospital would take a patient from a special hospital only on an exchange basis or an understanding of "patients to come" in getting a patient into a special hospital.

They knew also of the tremendous pressure on the overcrowded special hospitals and the log jam of patients who ought to be cared for elsewhere.

Answers include, in Mind's view, charging local health authorities for patients kept in special hospitals because there was no place for them outside; and insistence by the Secretary of State that health authorities perform their function and provide a service for patients regardless of from where they came.

Mrs Dell found the difficulty of finding places in hospitals for the mentally handicapped dominated the transfer of patients from the special hospitals.

"From all over the country came the message that the inadequacy of mental handicap services had reached crisis point," her report says. In response to national policy and staff pressures, hospitals were trying to reduce overcrowding and increase staff to patient ratios.

That could not be done by

discharging patients, because local authority facilities were said everywhere to be totally insufficient. Admissions were therefore restricted. Some hospitals exercised a total ban and others allowed one admission only for every three or four discharges. It was not surprising that patients awaiting admission from a special hospital were treated as low priority cases.

Long and hopeless delays were caused, and the difficulties were getting worse every year. Yet the detention of patients in a special hospital was indefensible, unless it was necessary.

Procedures under which outside hospitals would agree to take patients from special hospitals were ignored. The reality was that it was the hospital consultant and his staff who determined whether a patient was admitted. If they did not want a patient he would not be admitted. Reasons given for a refusal varied from "no room" to "not in our catchment area"; any reason, including postal delay, was given for delaying a decision.

A main conclusion, Mrs Dell makes is that if an "outside" medical consultant can be persuaded to visit the patient awaiting transfer from a special hospital, the chance of the transfer taking place is greatly enhanced.

Transfer of Special Hospital Patients to NHS Hospitals (Special Hospitals Research Unit, 119, Camberwell Road, London, SE5).

## Child benefit rise of £1.15 urged

By Pat Healy  
Social Services Correspondent

An increase of £1.15 a week in child benefit should be the top priority in the Budget, Sir Geoffrey Howe, QC, Chancellor of the Exchequer, is told today in a letter from the National Council for One-Parent Families.

That would not give hard-pressed families a real increase, the council says; but it would compensate them for inflation between the last increase in April, 1979, and November, 1980, the earliest time the Government has said the benefit could be raised.

The Government is under strong pressure to raise child benefit this year. It is believed to be considering increases of 70p or 75p, which would be less than the amount needed to compensate for inflation.

Miss Jane Streater, director of the council, urges the Chancellor to restore the value of child benefits in November, and says he has no other means of helping families with children directly.

Increases of £1.15, which would raise the weekly benefit to £5.15 a child, would cost £26.5m, of which £22m would go to one-parent families. Miss Streater suggests the increase could be partly financed by abolishing the married man's tax allowance.

The child benefit increase, which adds £2.30 a week to the £4 child benefit paid for the first eligible child in a one-parent family, should be raised to £3.60 a week, she says. It should also be raised to £4.00 a week for the second child in a one-parent family, she says.

The council also wants changes to the supplementary benefits system for one-parent families, and the maternity grant raised to help all mothers.

## Car makers on target for 10% fuel economy by 1985

By Peter Waymark  
Motoring Correspondent

Car manufacturers are on target to achieve the 10 per cent increase in mileage a gallon by 1985, according to a report by the Government as a contribution to its energy saving campaign.

In the first year of the commitment, to last October, the average consumption of new cars sold in Britain improved from 28.47 to 29 miles a gallon, according to calculations by the Department of Energy.

That represents a gain of 1.9 per cent and the department estimates that it could mean potential savings of about eight million gallons a year. Further improvements are expected as new, more efficient models replace older cars.

The commitment to a 10 per cent improvement has been

given by the Society of Motor Manufacturers and Traders and covers all leading British car makers as well as a dozen importers.

The average fuel consumption figure is obtained by combining the three official figures for each model which the Department of Energy has issued since April, 1978. These are: for an urban driving cycle, at a constant 36 mph, and at a constant 75 mph.

Manufacturers are planning to save fuel by making engines more efficient, reducing the weight of vehicles and designing smoother body shapes. But they point out that the full impact of such measures is unlikely to be felt by the motorist because of the need to meet more stringent safety and emission laws.

## Computer speeds up fire-fighting missions

From John Charlves  
Manchester

The United Kingdom's second biggest fire brigade is saving a minute on call-outs by using a computer. The Greater Manchester Fire Service, which has 100 fire engines, has also freed its radio communications network, which had become overloaded.

Crews now have instant information about the many special hazards they face from fires involving chemicals in the heavily industrialized area of 500 square miles in which nearly three million people live and work.

Other fire authorities, including Greater London, have been studying Greater Manchester's system and several are expected to place orders for computers in the next year or so. Intense competition for the contracts is likely between computer manufacturers.

The Greater Manchester Fire Service, which took over 10

brigades after local government reorganization in 1974, chose to install a computer-based mobilizing system after deciding that its 41 stations and more than a hundred fire engines dealing with about 50,000 calls a year would have to be controlled from a single centre.

The system cost £750,000 and was built by the military systems division of Ferranti, which has a headquarters and factory in Greater Manchester. A team of women control operators can call out 50 or more appliances through visual display units, and direct them to precise map references among 60,000 streets.

Mrs Marjorie Counsell, the service's principal fire control officer, who has 20 years' experience of earlier mobilizing methods, most based on the RAF fighter control system dating back to the Battle of Britain, says that she and her team of 32 operators are com-



Timothy Casey (right) with other volunteers yesterday relaying the track at the Liverpool Road station, Manchester, to enable the Flying Scotsman and other famous engines to steam in for the Great Railway Exhibition starting on August 2.

## Government decides to set up an inquiry into telephone tapping

By John Groser

The Government has decided that the only satisfactory way to allay public fears about the incidence and growth of telephone tapping by state agencies is to hold an official inquiry.

Some weeks ago Mr William Whitelaw, the Home Secretary, promised that he would make a statement on the matter before the Easter recess. That statement, in the Commons, probably in two weeks, will explain the reasoning behind, as well as the extent of, the proposed inquiry into telephone tapping.

Apparently there has been a great deal of resistance to Mr Whitelaw's proposal for a public inquiry, not least from the security and espionage services, the police and the Board of Internal Revenue. The Home Secretary's concern has been to provide an obvious response to the public anxiety that telephone tapping has been practised much more extensively than the agencies have admitted.

Mrs Margaret Thatcher's assurance to backbench MPs last month and subsequently in public that no elected representative of the people was having his telephone tapped have assuaged neither parliamentary nor public opinion. Both the Prime Minister and the Home

Secretary have said that tapping is under strict control. That said, there remains acute anxiety about the capacity of the Home Office efficiently to control the granting of tapping warrants in view of the numbers alleged to be involved. There is also considerable doubt about the legality of allowing telephone tapping.

The last comprehensive inquiry into the interception of communications was undertaken by the Birkett committee in 1957.

Its report concluded: "We are satisfied that interception is highly selective and that it is used only where there is good reason to believe that a serious offence or security interest is involved."

The committee's main concerns, apart from espionage, had been diamond smuggling and ensuring that communists and fascists did not join the Civil Service.

Now, however, the Government accepts that the use to which information obtained by interception is put has assumed an importance greater than the Birkett committee devoted to the subject.

Lord Birkett and his colleagues accepted that the annual figures for interceptions should not be made public, with the result that since 1956

there has been no official information about the number of telephone taps authorized by the Home Secretary.

It seems inconceivable that such a restricted view of the numbers alleged to be involved, particularly in the weekly New Statesman, have alleged that the security services have had almost a free hand in interception.

Last month Mr Robert Croy, the Labour MP for Keighley, introduced a private members' Bill to outlaw unauthorized tapping and to tighten controls over "legal" tapping. It could be that Mr Whitelaw's statement and proposals will draw the sting, as it were, from Mr Croy's Bill by proposing an independent inquiry.

Mr Croy said at the weekend that an official inquiry into telephone tapping would not allay fears over the issue. He urged Mr Whitelaw to introduce legislation so that "Parliament can once again take charge of the situation."

"An inquiry ought to have among its terms of reference the sort of legislation which will make the Commons once again take charge of the situation."

"An inquiry ought to have among its terms of reference the sort of legislation which will make the Commons once again take charge of the situation."

## £20,000 asked for Gibbons carving once in St Paul's

By Frances Gibb

Yet another piece of St Paul's Cathedral, this time a wooden ceiling carved by the leading English baroque sculptor, Grinling Gibbons, has come up for sale.

Advertised in the International Herald-Tribune, the ceiling is on offer at £20,000, an offer museum in the country have neither the money nor interest to meet.

The intricately carved ceiling, festooned with fruit and shells in true Gibbons style, is stored in London in two halves, which together make up a rectangle measuring 17 ft by 13 ft.

It was once sited underneath the cathedral organ, when that was in its original position, as in Wren's design, beside the famous Tjoff Gates. The Victorians divided the organ and moved it, and the Gibbons ceiling was put in the crypt.

The ceiling is owned by Mr John Brandler, a dealer from Brentwood, Essex, whose purchases from St Paul's include several hundred Victorian and Edwardian objects, such as a large Victorian altar-piece or reredos, designed by the nineteenth century architect, Bodley, which was broken into several pieces during the Second World War.

They were cheaply acquired when compared to the prices

they would fetch today, particularly in America. Mr Brandler is keen for them to stay in Britain, but unwanted objects go abroad.

Most of the rush-seated chairs stamped SPC, have been sold, including two to the Victoria and Albert Museum, one for £45 and the other for £30, but the average price is about £15. They were bought for about £6 each but have been resold.

The altar-piece, which includes statues of St Peter and St Paul, has been lent to Cartwright Hall, part of Bradford city museum, where it will shortly go on display.

The sales have brought protests from bodies like the Victorian Society. Besides St Paul's, furniture has also been sold by Lincoln, York and Canterbury cathedrals.

The authorities at St Paul's argue that objects were sold only because they were damaged, worn out, or redundant. Commander Charles Shears, registrar at St Paul's, said the aim was to raise money for development work such as setting up a treasury to display the diocesan plate.

Mr Brandler bought the ceiling five years ago, and it is likely to be one of the last diocesan artefacts to find its way to the market.

## Million seek electricity slot meters

By Our Consumer Affairs Correspondent

A million more electricity consumers would like slot meters, the Electricity Consumers' Council claims in a discussion paper published today.

The council says that although meters are the most popular form of easy-payment scheme, and could improve the cash-for-electricity boards, boards do little or nothing to encourage their use.

The boards also often refuse to provide slot meters even when they are requested.

The council acknowledges that coin-operated meters cause security and administrative difficulties, but suggests that many of the difficulties might be overcome by using repeater meters on external walls, or meters operated by self-cancelling tokens.

It recommends that prepayment meters should be advertised as widely as other payment schemes, and should be available to everyone on request.

## Four saved by helicopter from Ben Nevis

Four climbers from Cheshire were rescued unharmed by helicopter yesterday after spending the night on a ledge high on Ben Nevis. Earlier one of the four had dangled at the end of a rope after falling from the ledge.

The climbers are: Mr James Gregson, aged 32, a teacher of Shrewsbury Road, Sale; Mr Gavin Anderson, aged 37, a teacher of Beach Court, Sale; Mr Dudley Moore, an accountant of Broad Hill Close, Bramhall; and Mr David Tracey, aged 26, a surveyor, of Chester Avenue, Sale.

On Saturday a helicopter recovered the body of Major Christopher Parsons, aged 39, of the Royal Military Academy Sandhurst, from the foot of a 400ft drop. He had not been seen since setting out alone on Wednesday on a ski trip in the Cairngorms.

Rescuers also recovered the body of Mr James Young, aged 47, a coachbuilder, of Windsor Road, Falkirk, who was killed when he fell 1,000ft while climbing with a companion on Binnell Mor, near Fort William.

## WEST EUROPE

## Slow start to polling in Basques' first election for 40 years

San Sebastian, Spain, March 9.—The Basque region of Spain voted today to elect its first regional parliament and end 40 years of direct rule from Madrid.

Results are due tomorrow. The nationalist parties were expected to win most of the seats in the new assembly. Opinion polls predicted that the moderate Basque Nationalist Party (PNV) would top the poll and its leader, Señor Carlos Garaicoechea, aged 41, would form the region's first government since the 1936-39 civil war.

The Basque country briefly had a government, but not a parliament, before General Franco crushed home rule and instituted four decades of centralist dictatorship. Since the general's death in November, 1975, the region has been plagued by political violence and a deepening economic crisis.

Twenty-eight people have been killed in the region this year, 18 of them by the terrorist group ETA in a continuing fight for an independent Marxist Basque state. There has been a recent lull in the killing and political sources said ETA was trying not to prejudice the chances of the pro-independence coalition, Herri Batasuna (People's Unity), in today's election.

No incidents were reported in the early hours of polling which began lightly as driving

rain swept across the Basque provinces of Vizcaya, Guipuzcoa and Alava.

Among the first to brave wintry weather was Jesus Etxebarria, 63, who returned to San Sebastian three months ago, heading a Basque government in exile during the Franco dictatorship.

Señor Etxebarria, a candidate of the PNV, told reporters: "This is an historic day. Euzkadi (the Basque country) will decide on its immediate future."

The elections are expected to confirm the PNV as the best party in the region, general elections a year ago won 27 per cent of the vote. But disaffection among 100s with the pace of development in the region could damage the standing of the two main national parties, the ruling Union of the Democratic Centre (UCD) and opposition Workers' Social Party (PSOE). The UCD won 17 per cent of the Basque vote last year and the PSOE 19 per cent.

The elections will also test the strength of Herri Batasuna, which in 1975 won 15 per cent of the vote last year, been split by internal division. A fall-off in support, Herri Batasuna would probably favour the other main Basque party, the Basque Left (Basque Left) which has

been fighting for the radical nationalist vote. —Reuters.

## Venetians again promised help in saving their city

From John Earle  
Rome, March 9

Once again, a Minister of Public Works has visited Venice from Rome and promised the people a commission report on how to protect the city from the increasingly serious problem of flooding from the Adriatic.

Signor Franco Nicolazzi, a Social Democrat, announced at the weekend that a commission of experts he has appointed should reach its conclusions by October. This should allow contracts to be signed by Spring, 1981 for the first stage of works costing more than £110m.

The news would be welcome were it not for the precedent of Signor Gaetano Stamatini, his Christian Democrat predecessor, who said in Venice in November, 1978, that he was setting up a commission of experts to report back within four months

so that work could start by end of 1979.

No such commission was announced. Flooding, with its implications for the life of the city, its industry on the mainland and the natural environment, the lagoon, has been studied for years.

In that year the Min launched an international project for projects to preserve hydro-geological equilibrium, the lagoon and to protect Venice from floods. The best known in Italian civil engineering were among the first sort which responded and

mitted projects in December, 1976. But the Ministry's sp adjudicatory commission, did not visit Venice, those who left in the words of Venetians.

## Warrant issued for Nice casino director

From Our Own Correspondent  
Paris, March 9

A warrant has been issued for the arrest of M Jean-Dominique Fraton, the managing director of the Ruhl Casino in Nice, which was closed down by Government order last November because it owed 90m francs (about £10m) to the tax collector.

M Fraton, who made his fortune setting up the Victoria Casino Club in London in the mid-1960s, disappeared from his home on the Côte d'Azur several days ago. Ruhl's became the second most successful casino in France within months of its opening in 1974, but by the end of 1978 its losses had grown to 15m francs.

His financial problems began multiplying after his successful bid to make over the old Palais de la Méditerranée casino in Nice in 1977—a bid which was clouded by the disappearance of the daughter of the previous owner.

M Jacques Médéric, the mayor of Nice and a long-standing friend of M Fraton, said yesterday that he believed the missing director was on a deliberate attempt to harm the town of Nice itself.

## Ten held in raid on hidden heroin laboratory

From Our Own Correspondent  
Paris, March 9

Police of the Marseilles 4 squad surrounded an isolated farm near Le Puy, in the B Loire, on Friday, arrested people and confiscated a sophisticated laboratory for turning morphine into heroin. An

after serving a sentence for part in the so-called "Pr connexion" drugs case in 1976. For the past two months police had been keeping watch on the farm from a nearby crossing to observation posts in the tops through waist-high drifts.

This is the second labo discovered by the squad recent months, after a pe of four years after the discovery of a "French connexion" in which no labors was found or even suspected.

Commissioner François Moulet, the controller general of the squad, said yesterday it looked as though there a real "reliance" of action. They tended to be looking more and more out of the places to hide their labo

## European Law Report Court of Justice of European Communities

### Devon farmer loses exchange rate claim

Between Richard Pool, applicant, and Council of the European Communities (Case No. 179/79).

Before the president, Judge H. Kuchler, and Judges A. O'Keefe, A. Toulfard, J. Mertens de Wilmars, P. Pescatore, Lord Maclean, and O. Duc. Mr Advocate-General: G. Reischl.

Judgment given on March 4, 1980. Mr Pool, a Devon cattle breeder, lodged an application under the second paragraph of Article 215 of the EEC Treaty seeking £9,504 to be paid to him for loss allegedly suffered in consequence of Council regulation 2498/74 (October 2, 1974). He contended that because the regulation fixed the representative rates of British and Irish currencies applicable to the purposes of the Common Agricultural Policy at different rates for the pound sterling and the Irish pound, the Council had broken the prohibition on discrimination between producers or consumers within the Community, set out in Article 40 (3) of the EEC Treaty. That article requires any common price policy to be based on common criteria and uniform methods of calculation.

He admitted that he had never sold in Ireland but considered the decisive point to be that the terms of intervention prices or market prices expressed in pounds he would at all times have received more if he had been selling in Ireland, so that he had suffered damage amounting to the difference between what he actually received for cattle and what he

would have got if the representative rate for the Irish pound had been used instead of that for pound sterling.

The Council denied that it had broken any infringement act, saying that it was a wide discretion for setting different representative rates for different currencies, and that it was unnecessary to consider question of damages.

In its judgment the Court said that the Council had not broken the prohibition on discrimination between producers or consumers within the Community, because the Council had not made an unequal comparison, because he would have had to pay monetary compensation amounts on import into Ireland so that he would not have received more than the United Kingdom.

As the applicant was not a producer of cattle, his application could be dismissed without the need for any further investigation of the lawfulness of the Council's action. The Court dismissed the application and ordered Mr Pool to pay the costs.







## OVERSEAS

# M Giscard urges PLO presence in talks on Middle East peace

From Charles Hargrove  
Amman, March 9

President Giscard d'Estaing made a further gesture towards the Palestinians here last night. In a speech at the state banquet given in his honour by King Hussein, he insisted that the Palestine Liberation Organization (PLO) must take part in negotiations for a just and comprehensive settlement in the Middle East.

It was no accident that the French President said this in one of the front-line Arab states which, as he pointed out, has suffered four wars in generation, where Palestinians make up 60 per cent of the population and where tens of thousands of them still live in refugee camps.

In Kuwait, a week ago, at the start of his state visit to four of the Gulf emirates and to Jordan, he had insisted on the right of the Palestinians to self-determination and called for a revision of Resolution 242 of the United Nations which describes the Palestinian problem as only one of refugees.

The President did not go so far as the Arab summit in Rabat in 1974 and recognize the PLO as the sole legitimate representative of the Palestinians, but he took a big step in that direction. The Elysee spokesman explained that the French Government regarded it as "a thought negotiating partner" though not necessarily the only one.

It was time, M Giscard d'Estaing added, that everyone recognized there was no possible peace in the Middle East that ignored the two realities: the legitimate existence of the states of the region and the unshakable force of national sentiments.

The Israeli Cabinet is expected to react sharply against this new French concession to Arab sentiment as it did last week against the first one. Reports from Jerusalem point out that the President did not even mention the necessity for the PLO to recognize the existence of Israel before being associated in negotiations.

But the spokesman of the executive committee of the PLO declared in Beirut that it was a positive step towards a just and lasting settlement. He hoped the other members of the EEC would "follow the French lead in recognizing the right of the Palestinians to set up an independent state."

France has gone that far yet, and is only likely to do so if Mr Yasser Arafat, the PLO leader, shows readiness to allow for the existence of Israel.

A prominent PLO leader declared before the President's arrival yesterday that tens of thousands of Palestinians would cheer him on his way through Amman. People lined the streets two or three deep in the centre of the city, but there were no wild demonstrations of enthusiasm.

M Giscard d'Estaing arrived as he did in the Gulf states, preceded by his country's well established reputation since 1967 of being the best friend of the Arabs in the western world and the political leader most qualified to give a decisive impetus to political and economic cooperation between the EEC and the Arab countries.

His approach to the Palestinian problem, to the Camp David negotiations and the Egypt-Israel treaty, and to the conditions for a settlement in the Middle East is almost identical with that of King Hussein.

The private talks between the

two heads of state dealt exclusively with international affairs. The President outlined to King Hussein the central ideas underlying the French approach to a settlement of the Arab-Israeli conflict: The right to security and the right to self-determination for all the peoples in the region including, as he put it, "the legitimate preoccupations of the state of Israel."

The President believes in the need to tread warily and move cautiously by stages on these highly explosive issues. He does not always like his moves to be subjected to the glare of publicity. Today, for instance, he went with King Hussein to the junction of the Jordanian, Syrian and Israeli frontiers and refused to be photographed looking into the occupied West Bank, thereby causing something of a revolt among French reporters.

He is leaving tomorrow for a working visit to Riyadh with M Jean Francois-Poncet, the French Minister, and without any reporters. He will meet King Khalid and have talks with Crown Prince Fahd, the Saudi Prime Minister, before returning to Paris in the afternoon.

The four French ministers accompanying the President had talks this morning with their Jordanian opposite numbers on bilateral economic and cultural problems. France is anxious to increase her stake in Jordan, now that the country has really begun to take off economically. French exports to this country have trebled in the last four years.

The final communiqué of the visit mentions development of mining and oil resources as a field for future cooperation. As in the case of the Gulf countries, the cultural dimension is not forgotten in respect to the training of technicians and specialists in France, the teaching of the French language and culture and radio and television programmes in French. There is to be a corresponding development of Arab studies in France.

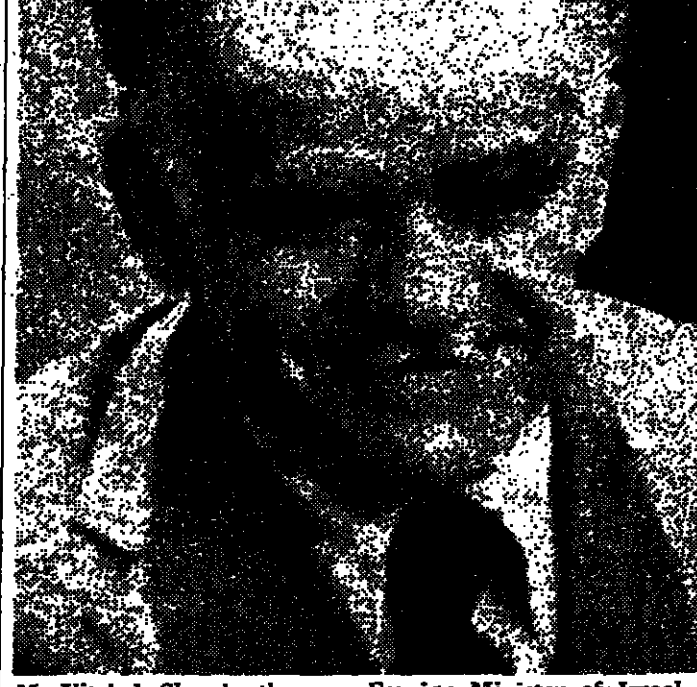
French condemnation: Mr Meli Rosensa, the Israeli Ambassador to Paris, today condemned France's support for the Palestinian people's right to self-determination. He said in a radio interview: "Self-determination means statehood. Yet 95 per cent of the members of the Israeli Parliament are against the creation of a Palestinian state which, under control of the Palestine Liberation Organization, would become a Soviet base in the Middle East."

He defended the Camp David accords which, he said, "will allow all the signatories and all the interested parties to continue negotiating to make them succeed."

In Cairo, Mr Butros Ghali, the Egyptian Minister of State for Foreign Affairs, today reiterated to Mr Ben Elissar, the Israeli Ambassador, Egypt's insistence that the Palestinian autonomy must end successfully by the target date of May 26. He called on Israel to create a positive environment that could enhance their success.

In their first meeting since Mr Ben Elissar was accredited as Israel's first Ambassador to Egypt two weeks ago, Mr Ghali also reaffirmed Egypt's condemnation of Israel's settlement policy in the West Bank and Gaza, while talks with Egypt for a settlement in the Middle East is almost identical with that of King Hussein.

The private talks between the



Mr Yitzhak Shamir, the new Foreign Minister of Israel.

## Hard-liner to get foreign post in Israel

From Christopher Walker  
Jerusalem, March 9

Five months after the resignation of Mr Moshe Dayan, Israel is to appoint a new Foreign Minister in the person of Mr Yitzhak Shamir, an acknowledged "hawk" on the Palestinian question and one of the founders of the notorious "Stern Gang" which fought a bloody terrorist campaign against the British in the 1940s.

A reticent, avuncular-looking man, Mr Shamir has been Speaker of the Knesset since Mr Menachem Begin's right-wing Likud Government took power in 1977. His new appointment, which has been blocked for weeks by political wrangling in the ruling coalition, was finally confirmed today and will become official after a Knesset vote tomorrow.

Seen by some political observers as a possible successor to Mr Begin, Mr Shamir is much favoured by "hardline" supporters of the coalition who are looking for him to oppose the more moderate views of the faction led by Mr Ezer Weizman, the Defence Minister.

The prospective Foreign Minister has already let it be known that he is not a member of the right of Jews to settle in the occupied Arab territories.

Mr Shamir has abstained from voting in support of the Camp David agreement, and it is widely believed that he would have voted openly against it had he not held the position of Speaker. His main objection was that Israel was giving too much away to Egypt, particularly the Jewish settlements in the northern Sinai which are due to be abandoned in April 1982.

Born in Poland with the family name of Jorjelski, Mr Shamir emigrated in 1935 to study at the Hebrew University in Jerusalem. Within two years, he became heavily involved with Irgun, the underground group fighting a terrorist war against the British and the Arabs.

He quickly earned the reputation of being a ruthless underground fighter, and later joined those who broke with the Irgun (led by Mr Begin)

and founded the smaller, more extreme splinter group known as the Stern Gang. Details about Mr Shamir's part in the various atrocities committed by the group are not clear.

The activities of the Stern Gang were largely responsible for the anti-Jewish sentiment which permeated the British forces in Palestine.

After from savage attacks on individual British soldiers and Arab citizens, the gang was also responsible for the assassination of Lord Moyne, the British Minister in Cairo in 1944 and Count Bernadotte, the United Nations mediator, who was shot in 1948 after being sent to Jerusalem to implement the partition of Palestine.

Mr Shamir returned after the foundation of the state of Israel in 1948 and later played a prominent role as an agent for the Mossad, Israel's foreign intelligence service.

Regarded as a tough political operator, Mr Shamir was inside the Herut party, Mr Shamir will be taking over the Foreign Ministry at a time when its influence is much diminished, with both the crucial negotiations on Palestinian autonomy and the process of normalizing ties with Egypt being handled by other ministries. Morale among Israeli diplomats and Foreign Ministry officials is known to have slumped in the five months since Mr Dayan left and Mr Begin doubled as Foreign Minister.

One of Mr Shamir's first moves is expected to involve the Israeli diplomatic offensive in Europe to counter support inside the EEC for the Palestinian right to self-determination. He is said by close associates to be particularly distrustful of the role played by the British Government in attempting to secure support for a change in the United Nations resolution 242.

At home, Mr Shamir is expected to provide important political support for his former underground rival, Mr Begin, especially over the question of implementing the decision to allow Jews to settle in the heart of the occupied West Bank. Arab town on the West Bank.

Discussion on this controversial issue was postponed for a third time at today's Cabinet session, but ministerial supporters of the plan are insisting that it should be discussed next week. At that time, Mr Shamir will have a full Cabinet vote.

Last year's general election gave rise once again to widespread criticism of professional political advertising. Conservative Central Office was accused of hiring a commercial publicity agency, Saatchi and Saatchi, to sell the party to the voters like the proverbial tin of baked beans. The implication was that Mrs Margaret Thatcher became Prime Minister because her party's organization had a larger publicity budget than those of Mr Callaghan or Mr Steel.

One reason for the wild speculation about the cost of the Conservatives' national advertising is that election spending by central party organizations is not directly controlled by the strict limits on political spending and the equally stringent rules about reporting expenditures apply only to the 635 separate constituency campaigns and only to the short period between the announcement of the election date and the poll. The moneys devoted to general elections by party headquarters have traditionally been closely guarded secrets.

Since the election, the central organizations of the three parties have been giving breakdowns of their spending before and during the 1979 campaign. This information (together with statistics of constituency spending compiled by the House of Commons) makes possible for the first time to assess the overall cost of a British general election. I have also included estimates of the value of the vital subsidies-in-kind received by the political parties—free television and radio time and free postage for parliamentary candidates.

Figures given by Conservative Central Office show that it spent about £11m on press, poster and cinema advertisements and a further £425,000 on supporting constituency campaigns. The party's financial resources were severely depleted by the low membership of the party compared with 2,400 for its Conservative counterpart and about 300 members for an average Liberal association.

Labour's local weakness restricted the party's central campaign in another way. Labour's parliamentary candidates required substantial grants from local trade union branches—money that would otherwise have gone to the centre. In the Conservative Party, the constituency associations were easily able to raise the money needed for local election expenses from individual members and supporters. This allowed most business contributions to go to Central Office.

Further Labour handicaps were the traditional over-caution of Transport House and of the large unions. Transport House was reluctant to dip too deeply into the reserves of its special general election fund (which still contained £175,000 at the end of the campaign). The unions contributed less than might have been expected considering the record levels of political levy funds. These special funds, derived from annual political payments by union members and are used, in practice, almost exclusively for Labour Party purposes. Political levy reserves totalled over £4m at the end of 1977 and over £41m at the end of 1978. Labour could easily have outspent the Tories had the main unions been prepared to use these reserves more fully.

Even so, union donations accounted for over 30 per cent of Transport House's election income. Six major unions provided over half the total raised. An unusual contribution of £80,000 came from the League Against Cruel Sports "in appreciation of the section of the party manifesto with regard to cruel sports". Apart from the trade unions and the League Against Cruel Sports, other contributions amounted to a mere £25,000—2 per cent of the total raised for the election.

The Liberal central campaigns spent slightly over £200,000, a seventh of Labour's total and a seventh of the Conservatives' total. The party had no money for private opinion polls or expensive films for its party political broadcasts. Its advertising was minimal.

About half the Liberals' central income for the election came from the Joseph Rowntree Social Service Trust Ltd. This body has become highly influential in the Liberal Party and could be described, in some respects, as an alternative party headquarters. The Rowntree Trust strongly supported the Lib-Lab pact. In 1977, at the time of the pact, it put a political fund of £55,000 at the disposal of David Steel and his parliamentary colleagues. A further £45,000 was added in the months before May 1979. This £100,000 was not included in the Liberal Party organization's normal accounts. It was personally controlled by the Liberal leader and the existence of the fund was unknown to most Liberals. About half of it was used for pre-election preparations, particularly for grants to improve organization in Liberal-held seats. The Rowntree Trust gave a further £60,500 for the Liberal election campaign, stipulating that it should be used mainly for aid to Liberal candidates and not for the expenses of the party headquarters. Apart from the Rowntree money, the party's independent federations and recognized unions raised most of their election income from individual donors.

There is no basis for a contrast between the Tories' "Madison Avenue" approach and the supposedly amateur style of Transport House. Both parties used the most up-to-date techniques of commercial advertising. The difference was in the scale and duration of their efforts, though the Tory advantage was much less than the 10 to 1 margin claimed after the election by Transport House. During the run-up to the election, the Conservatives spent over three times as much as Labour on national advertising. During the campaign, the Conservatives spent almost twice as much (£743,000 compared with £390,000).

Transport House was limited in the amount it spent on advertising by the need to prop up its constituency organizations. These local subsidies cost Transport House over £200,000 and about £150,000 more was channelled to constituency

## What should be the cost of a vote?

How much did the 1979 election cost?  
Pre-campaign and campaign spending in thousands of pounds.

The National Campaign (Including Regional and Scottish HQs)	Conservative	Labour	Liberal
Grants to Constituencies	42	363	—
Advertising	1,501	619	—
(Press)	(766)	(265)	(26)
(Posters)	(581)	(354)	(9)
(Cinema)	(144)	(—)	(—)
Producing political broadcasts	425	72	—
Private opinion polls	70	120	—
Party publications	113	50	—
Leaders' tours and meetings	13	160	—
Administration, etc.	169	255	—
Total central expenditure	2,333	1,566	—
Constituency campaigns (Including cost of lost deposits)	—	—	—
Total constituency expenditure	1,363	1,189	—
Value of subsidies-in-kind (estimated)	2,700	2,700	—
Free broadcasting time	311	311	—
Free postage for candidates	3,011	3,011	—
Total subsidies-in-kind	—	—	—
Grand total (Excluding central campaign, grants to constituencies)	6,665	5,397	—
Votes received	13.7 million	11.5 million	4.0 million
Overall cost-per-vote	49 pence	47 pence	60 pence

© Times Newspaper, 1980

Labour parties by the regional councils. The £360,000 devoted to these payments was nine times as great as the total spent by Conservative Central Office on supporting constituency campaigns. The party's financial resources were severely depleted by the low membership of the party compared with 2,400 for its Conservative counterpart and about 300 members for an average Liberal association.

Labour's local weakness restricted the party's central campaign in another way. Labour's parliamentary candidates required substantial grants from local trade union branches—money that would otherwise have gone to the centre. In the Conservative Party, the constituency associations were easily able to raise the money needed for local election expenses from individual members and supporters. This allowed most business contributions to go to Central Office.

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There is no basis for a contrast between the Tories' "Madison Avenue" approach and the supposedly amateur style of Transport House. Both parties used the most up-to-date techniques of commercial advertising. The difference was in the scale and duration of their efforts, though the Tory advantage was much less than the 10 to 1 margin claimed after the election by Transport House. During the run-up to the election, the Conservatives spent over three times as much as Labour on national advertising. During the campaign, the Conservatives spent almost twice as much (£743,000 compared with £390,000).

Transport House was limited in the amount it spent on advertising by the need to prop up its constituency organizations. These local subsidies cost Transport House over £200,000 and about £150,000 more was channelled to constituency

The national budgets of the three parties, taken in isolation, give cause for concern about the existing system of financing general elections. It appears to give an unfair advantage to the Tories and to handicap the Liberals. But another picture emerges when account is also taken of constituency spending and of subsidies-in-kind.

No party gained any significant financial advantage in the marginal constituencies. In the 30 most marginal Liberal seats and the 62 closest Conservative/Labour contests, Liberal and Conservative candidates both spent 91 per cent of the legal maximum and Labour candidates 87 per cent. Throughout the country, Conservatives spent 15 per cent more than their Labour opponents and twice as much as Liberal candidates.

Liberal and Conservative candidates spent 91 per cent of the legal maximum

By far the largest cost of constituency campaigning was printing election addresses and other publicity materials. This consumed nearly 80 per cent of constituency budgets. Each candidate was entitled to the free delivery by the Post Office of one item of election literature (usually the candidate's election address) to each elector. This service was worth about £500 per candidate—the cost of a commercial door to door delivery.

Stringent legal restrictions on spending by parliamentary candidates (first introduced in 1883) have ensured approximate equality between the main parties and have greatly reduced the cost of constituency campaigning. In real terms, candidates in 1979 spent barely a quarter as much as in 1945.

An equalization of campaign resources at the national level has also resulted from the growth of television.

British law does not permit political parties to purchase advertising time on radio and television. But the principal parties are allotted free time for political broadcasts between elections and during campaigns. The time given to each party is decided in formal negotiations between the parties and the broadcasting authorities and the main parties. The exact allocations have varied during the past 20 years. The pattern has been consistent. Conservative and Labour have received equal time; the Liberals have been given less time, but about twice the portion to which they would have been entitled if allocations had been based on the percentage of votes received in general elections.

During the eight months before the 1979 campaign, Conservative and Labour were each entitled to four ten-minute programmes on all three TV channels and the Liberals had two programmes. During the campaign, Conservative and Labour each have five ten-minute broadcasts and the Liberals three. There were radio slots in addition.

The commercial cost of a minute's advertising on independent television was about £40,000 in 1979. On this basis, the national cost of 10 minutes of advertising on the two BBC channels was about £800,000 and the total cost of party political broadcasts before and during the campaign (excluding radio) was £7.2m for the Conservatives and £4m for the Liberals. However, the advertising value of party political

broadcasts is diminished fact that they are 10 long. The value of 10 together is less than Europe has indicated a most effective length of 10 seconds. With this in mind, it has been estimated at £1.5m. This suggests that a 10 second election broadcast was roughly £1.5m. Liberals and £2.7m to Conservatives and Labour.

That these are not figures is shown by the amount of money which main parties invested in their broadcasts. £400,000 of the Conservative election budget was for this purpose and some party's press advertising the campaign consisted simply, in very difficult circumstances, of a British political party a general election by the value of free air.

The ban on paid tel and radio advertising has account for the modest scale of election by the national organizations. The £1.5m by the Tories and the £0 Labour were small by the standards and low level (publicity budgets in 1964 some pre-war campaigns.

Conservative at Labour spent 49p and 47p vote respectful The Liberals spent 60p a vote

The Conservative advantage in the 1979 election was almost entirely in the of political advertising. It is precisely in this area that two other parties, and esp the Liberals, benefited subsidies-in-kind. Express terms of costs-per-vote, a closing the value of free time and free postage candidates. Conservative Labour spent 49p and respectively. The Liberals most heavily (60p per vote). This unexpected result because the Liberals enjoyed a disproportionately allocation of broadcasting. National political advertising is by no means a new phenomenon in British. It was established part of election by 1929 and was sophisticated by 1935. Its importance is easily exaggerated. Given the limited sums of political publicity and the prohibition against paid advertising on radio and television is unlikely that the outcome a general election ever has or will be determined by hidden persuaders.

Mc Pinto-Duschinsky The author is Professor of Government and Social Administration at Brunel University. © Times Newspapers Ltd.

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## Fighter says Eritreans being ejected

From Ann Fyfe  
Dubai, March 9

A forced emigration programme embarked on by Ethiopia could, if successful, present the world with 3 million Eritrean refugees, Mr Othman Sabbe, an Eritrean guerrilla leader, said in Abu Dhabi yesterday.

Mr Sabbe, is the chairman of the central committee of the Eritrean Liberation Front—Popular Forces which is Muslim, conservative and more pro-Western than the two other Eritrean movements. He said that Ethiopia had begun resettling thousands of Ethiopian families in the Eritrean capital of Asmara and in the two Red Sea ports of Asab and Massawa.

The Palestine tragedy was repeating itself, he added, and 3 million Eritreans would flood into the Arab world if the Ethiopian project succeeded.

Mr Sabbe told the Abu Dhabi newspaper *Al Itihad* that the Soviet Union was trying to control the Horn of Africa.

What was being called "the progressive solution" would in practice turn out to be "a Marxist union", Mr Sabbe maintained, and would present the Arab world with as great a danger from across the Red Sea as that posed by Israel.

## Dalai Lama to continue exile

Delhi, March 9.—The Dalai Lama, who has been invited by China to return to Tibet, said today he would wait and watch to what extent Chinese leaders improved conditions there.

In a statement marking the twenty-first anniversary of the 1959 uprising against Chinese rule, from which he fled, the Dalai Lama said: "The limited autonomy that the Chinese have introduced is a welcome first step. But we are still nowhere near being satisfied that the Tibetans in Tibet are content."

## Prisoners of conscience



By Caroline Moorehead

Rudolph Bahro, the East German dissident and author of *The Alternative*, was released from Bautzen 11 in October under a general amnesty, having served barely a year of an eight-year sentence for "the accumulation and dissemination of information not in the interest of the state". Last week he visited London.

Herr Bahro is a slight man in his middle forties. He pushed hard to have himself convicted, he says; the authorities would have preferred not to have had published a best-selling critique of the East German Communist Party, they had no choice.

He is a man of politics, and as such rather remarkable among the better-known dissident writers and intellectuals who have left the Warsaw Pact countries.

"I was born at Bad Flinsberg, in what is now West Germany, came a member of the party in 1952, before my seventeenth birthday, and went to Humboldt University to study philosophy. In 1959 I became the editor of a village newspaper covering some seven or eight communities."

From there, still in my capacity as party member, I moved to Griefswald to edit the university newspaper, and then the SED (the ruling party) brought me to Berlin to the central executive of the Scientists' Trade Union. In 1965 I was

## East Germany: Rudolph Bahro

appointed editor of *Forum*, the youth organization paper."

It was here that what Herr Bahro calls his "political naivety" was born. "I didn't like the postures, the bureaucratic rules of the game."

Realizing that he was running a risk, he published a piece by Volker Braun that was immediately attacked as giving a false picture of the working classes. Herr Bahro was dismissed.

"My relations with the party were still quite fraternal. They let me edit a bit at home until my contract expired, then appointed me sociologist in an engineering office of the rubber industry practising a sort of management consultancy."

The events of 1968 were decisive for Herr Bahro: Dubcek in Czechoslovakia, the Tet offensive in Vietnam, the Chinese Cultural Revolution and the May uprising in Paris. Herr Bahro's break with the party became final.

For the first time since this series began on March 8, 1976, The Times is today publishing an interview with a prisoner of conscience after his release.

"I concluded definitely that there was a difference between 'actually existing socialism' in the GDR and Marxist socialism. How, I asked myself, can we achieve real socialism? I realized that the days of friendly writers as parasites—and worse—had ended."

Herr Bahro did not break openly with the party. He decided to work conscientiously at his job—he is critical of writers as parasites—and writes at night. In 1977 he was commended as a "model worker".

His writing became first a dissertation on the formation of specialists in state enterprises, then a criticism of political bureaucracy, and finally a historical necessity, but proposing a truly Marxist alternative to the subsequent evolution of political thought.

He was expelled out to Frankfurt. Before it appeared, Herr Bahro gave an interview to *Der Spiegel*; within 24 hours he was arrested.

They asked me whether I wished to leave the country. I said no. So they had no choice but to bring me to trial. Herr Bahro's interrogation lasted nearly a year, most of it spent in solitary confinement in the Ministry of Internal Security.

His trial was over in two days. Not wishing to draw attention to the inflammatory nature of Herr Bahro's attack, the State accused him not of treason but of "writing about East Germany for personal gain".

Bautzen 11 is near Dresden. It is a special prison for about 150 maximum-security political prisoners. Herr Bahro says he was treated "with pedantic correctness", and worked 42 hours a week making electrical switches.

A letter was smuggled out and published in *Der Spiegel*, his cell was stripped. He went on a 31-day hunger strike in protest; after the first six days he was forced to eat.

Soon after a second letter was smuggled out, the East German Government declared a general amnesty for prisoners. Under it 20,000 people were released, among them Herr Bahro.

On October 11, 1979, he left Bautzen 11, and six days later was on a train to Hanover. He has now become a member of the West German ecology party, the Green Party, and has taken up a fellowship at Bremen University.

"I will go on working," he says, "towards a fundamental reform of all Soviet states."



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## SPORT

## Cross-country

## Rose ploughs lonely furrow but soil of Longchamp is Virgin

From Cliff Temple

Paris, March 9 — The English champion, Nick Rose, came within 600 metres of winning the world cross-country title here today, only to slip to third place behind Craig Virgin (USA) within sight of the finish. For more than three-quarters of the 12-kilometre race, Rose ploughed a brave and lonely furrow around the Longchamp course, setting a fast pace which none of the other runners would or could follow.

But as the effort of pacemaking for so long on the track, it was clear that the strength from his legs, it became clear initially that one of a group of three pursuers, Hans Orthmann (West Germany), was closing dramatically on him in the final stages. With 600 metres remaining and the last long straight in front of the main stand to run, Orthmann pulled alongside and then passed Rose. For nearly 100 metres, the Briton fought back but Orthmann was opening a small gap and was apparently set to take the title.

But the race took a new turn in the last quarter-mile as Virgin, the American 10,000 metres record holder, from this year's initial effort to catch Rose in mid-race, suddenly found a new source of energy. Moving from third place, he caught the fading Englishman 200 metres from the finish and pulled another 100 metres, making both of them look as though they were barely moving.

Virgin won in 37 minutes one second, the first individual victory for the United States in the senior

men's championship. Orthmann was one second behind, while Rose almost jogged across the finish in 37 minutes five seconds. A former winner, Leon Scheer (Belgium), was fourth and John Robson (Scotland), a member of Britain's elite party for the Olympic 1,500 metres, was a totally unexpected fifth.

Ireland's John Treacy, winner for the past two years, never looked happy and despite working his way up to second place in the race, he faded to finish a disappointed 18th of the 170 runners.

For England, even without Mike McLeod and Ken Newson, who had to pull out of the race yesterday with tendon trouble, there was some consolation for Rose's defeat when he retained the team title against the odds. Their scoring men were Rose (third), Bernie Ford (10th), Barry Smith (14th), Steve Keyson (17th), Nicholas Lees (19th) and Graham Tuck (37th) and they totalled 108 points in the race, far ahead of the huge margin of 63 points.

For England's women, there were silver medals, although by a narrow margin over the United States. The Soviet Union, with four runners in the first six, scored an overwhelming victory over the Americans.

Norway's Grete Walz scored a third successive victory and a crushing margin of 40 seconds, leading her team to fourth place out of the 17 nations taking part.

## Rackets

## Whatley's fitness enables him to reach last eight

By Roy McKelvie

Two professionals and six amateurs reached the quarter-final round of the open rackets championship at Queens Club over the weekend. The round to be played on Wednesday will be William Boone v Charles H. Williams; Randall Crawley v David Jenkins; Terry Whatley v David Jones; Angus and Norwood Cripps (Edon) v John Penn. There is promise of good things in these matches. Whatley, the only player to lose a game in reaching the last eight and he beat Andrew Beeson 15-8, 14-15, 15-12. Beeson, a match full of rallies yesterday. Whatley's better service and greater fitness separated the players. Early in the fourth game there was one long rally that left both men puffed. Beeson more so than Whatley, although he managed to keep going to the end. Both players used the walls

rather more than one might expect in this class and at times the two men looked as if they were spinning a spider's web in the court. Whatley's strength, apart from his service, was his long reach which helped him counter Beeson's angles. But he showed a weakness on the forehand in that he hit it straight down the court more often than not away from the side wall. His stroke direction became predictable. Only once in the whole match did Whatley pull his forehand across court. It took Beeson by surprise.

THIRD ROUND: W. Boone beat R. Crawley 15-8, 14-15, 15-12. D. Jenkins beat T. Whatley 15-12, 14-15, 15-12. A. and N. Cripps beat J. Penn 15-8, 14-15, 15-12. W. Boone beat R. Crawley 15-8, 14-15, 15-12. D. Jenkins beat T. Whatley 15-12, 14-15, 15-12. A. and N. Cripps beat J. Penn 15-8, 14-15, 15-12.

## Southwell programme

## 2.0 EGMANTON HURDLE (Div 1: £575: 2m)

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## 2.30 KERSALL HURDLE (E449: 2m)

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00010 Kersall, S. Nossell, 8-11-10 D. Nossell 4  
00011 Kersall, S. Nossell, 8-11-10 D. Nossell 4  
00012 Kersall, S. Nossell, 8-11-10 D. Nossell 4  
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On one platform, six of Britain's most persuasive speakers...

# The political debate of the decade?

Those who fear that the art of political oratory is dying might care to make their way to the Methodist Central Hall, Westminster, a week tonight where six of the most forceful and persuasive speakers in contemporary British politics will be taking part in what has already been dubbed the debate of the decade.

The theme of the debate is the crisis and future of the left in Britain. Speaking on one side, representing the left wing of the Labour Party, will be Mr Anthony Wedgwood Benn, MP, Mr Stuart Holland, MP, and Mrs Audrey Wise. On the other side, representing the extra-parliamentary far left, will be Mr Tariq Ali, of the International Marxist Group, Mr Paul Foot, of the Socialist Workers' Party, and Miss Hilary Wainwright, an independent socialist who has been active in the women's movement and in trade union campaigns to develop alternative strategies to counter redundancies.

Although the subject and the participants may seem to encompass a rather narrow part of the spectrum of contemporary political argument in Britain, the debate will be none the less real or interesting than if it involved social democrats or even Thatcherites.

Since the Leavers and soldiers of Cromwell's New Model Army debated the best form of constitution to set a country free from monarchical rule in 1647 at Putney, the left has consistently provided some of the best argued and most genuine political debates in Britain. Next Monday's looks like being no exception.

The last public debate between the far left and the Labour left was held in the same venue in January 1969 when Mr Tariq Ali and Mr Bob Rowthorn, a lecturer in economics at Cambridge University who was then a member of the International Socialist Workers' Party, debated the future of the left.

It was a stormy occasion. In those heady days of student revolt, the youthful audience was almost 100 per cent behind the speakers from the far left and the two Labour MPs were booed and hissed.

"I think everyone agreed that we wiped the floor," Mr Ali says. "But then we did have



What future for the left? Tariq Ali, Hilary Wainwright, Paul Foot, Peter Hain, Audrey Wise, Anthony Wedgwood Benn and Stuart Holland on the case for and against.

the audience with us. By the end of the debate Black Dwarf (the newspaper of the International Marxists) had sold 10,000 copies.

Mr Rowthorn recalls: "Tariq was really quite demagogic. The whole thing was very heavily weighted against the Labour Party. I would expect next week's debate to be a much more evenly matched affair. The balance has completely changed. The far left groups have become much weaker and the Labour left much stronger. In 1969 Tariq Ali was the main draw in public terms. Now it is Tony Benn."

Mr Ali admits he is going to have a much tougher struggle this time. He regards Mr Benn as a much more formidable adversary than Mr Foot, whom he dismissed in 1969 as "a Victorian reformer."

He says: "Foot is 100 per cent a parliamentarian. He really does see the struggle as being inside Parliament. Benn sees the importance of extra-parliamentary movements. His relations with shop stewards are much stronger, for example, and he has a much greater

appeal to militant workers."

Next week's debate will also be more evenly matched than the last one in another respect. The Times commented that the 1969 contest was very much one between youth and age. This time all the participants are over the age of 30. Those in the red corner will represent 130 years of fighting for socialism, while those in the very red corner are only marginally less experienced with 109 years of waiting for the revolution to dawn between them. The audience is likely to be older as well.

The debate has been organised by the Labour co-ordinating committee, which was set up in 1978 by a group of left-wing Labour MPs and

activists who felt the Tribune group was not sufficiently organised or vigorous. It is the brainchild of Mr Peter Hain, the former Young Liberal and anti-apartheid campaigner who joined the Labour Party in 1977.

The idea of the debate came to him for two reasons: "I felt the left in its broadest sense was in a very weak state, in a state of crisis in fact, with the decline of student activism. At the same time, when we are facing a reactionary offensive from the present Government, I feel we cannot afford the luxury of indulging in the normal interminable war that characterizes the left. We can only advance the prospects for socialism by linking up."

Mr Hain, who will be chairing the debate, hopes that it will explore particularly the relationship between the left and the numerous community groups which have sprung up in the last ten years. This is also a theme which interests Miss Wainwright. She sees a curious paradox in the fact that while industrial and community organizations among the working classes are stronger than in any previous recession, the general belief in socialism is weaker. "I lay the blame for that on the Labour Party," she says. "It lays too much emphasis on the state and on Parliament and it is unable to develop extra-parliamentary organizations."

The three speakers from the Labour Party side all stress that they do not want to turn the debate into either a gladiatorial contest or a recruiting drive. Mr Benn is looking forward to "a very useful meeting—not so much a debate as an attempt to analyse the situation." Mrs Wise feels "there will be more interesting points raised than in 1969 in that the argument will be couched much more in our terms. It is for them to justify their position much more than it is for us to justify ours."

Oratorical fireworks are not ruled out, however. Mr Stuart Holland promises that if Tariq Ali proves true to his old style, "we could respond in kind and he might find it tougher going than last time round."

Mr Ali is keeping his powder dry and not letting on whether he will be gentler towards the Labour Party than he was 11 years ago. Anyone wanting a ringside seat on Monday is advised to hurry—so far more than 1,700 of the 2,500 available have been sold.

Ian Bradley

## Mr Mugabe and the forces that are slowing him down

Salisbury Shortly after the extent of Mr Robert Mugabe's election victory became known last week, a senior British member of the Commonwealth monitoring force handed a pistol to one of the principal Rhodesian policy makers at Government House, saying that as the British administration had so totally miscalculated the poll result he ought to take the only honourable course left open to him.

The British officer was joking, of course, but the jest was the conviction that the Foreign Office had boomed once again over Rhodesia. Significantly, Lord Soames, the Governor, who had never had anything to do with Rhodesia before he came to Salisbury last December, guessed more accurately than his advisers. He estimated Mr Mugabe would win well over 40 seats while his advisers were still forecasting that Zanu (PF) would not get above the mid-30s.

Undoubtedly the main reason for Mr Mugabe's landslide was the fact that most people were voting for peace. For the past seven years the black population has suffered a bitter and increasingly bloody civil war in which at least 27,000 people died, tens of thousands more were wounded and an incalculable amount of damage done to homes, crops and livestock. During the two months before the election the rural population had enjoyed a state of semi-peace brought about by the Commonwealth force that was monitoring the ceasefire. It was only a fragile truce (290 people died between the end of December and the end of February; the figure would have been more than 3,500 if there had been no ceasefire) but it meant that for the first time in years villagers could move around without fear of being shot or attacked. They wanted to keep it that way.

Bishop Muzorewa won a landslide victory during last April's internal settlement election because he promised peace. That election was not the total fraud that people have subsequently said it was; but his defeat this time was simply due to the fact that he had not been able to fulfil his election pledge. During his six months in office the war became infinitely worse so this time the voters gave their support to the

two parties who were responsible for the war. They believed—probably correctly—that the war would only stop once Zanu (PF) and Mr Nkomo's Patriotic Front were in power. It was a belief Zanu (PF) encouraged by warning people that fighting would resume if Mr Mugabe did not win.

Another reason for Bishop Muzorewa's collapse was that his administration became too closely identified with protecting white interests.

Black wages, already pathetically low, remained largely unchanged because, it was explained, any increase might upset the profitability of European-owned companies and lead to lay-offs. Bishop Muzorewa also laid widespread black support for authorising Rhodesian security force raids on Patriotic Front camps in neighbouring Zambia and Mozambique. "He killed our own kith and kin," remarked an African whose brother died in one of these raids.

But if the whites were stunned by the scale of Mr Mugabe's victory, they have been equally amazed by the moderate and conciliatory remarks made by the Zanu (PF) leader since the election. The British advisers at Government House have been equally delighted, although they have confessed to little surprise, saying that they knew all along that Mr Mugabe was "really a good chap at heart."

For the past few years Mr Mugabe has been regarded by Rhodesian whites—and some blacks as well—as a terrorist and a communist who was determined to impose a Marxist system on Rhodesia by the use of force. A sudden, on the evening of the announcement of the election results, there was the "Comrade Prime Minister-designate" appearing on television screens to promise that civil service pensions would be assured. Lieutenant General Peter Walls would continue in charge of the security forces and that there would almost

certainly be whites in his new "National Front" Government.

Mr Mugabe's post-election broadcast was masterly. He said all the right things about achieving peace and stability, upholding the rule of law and protecting individual property rights. This did not sound like Marxism. In fact he had been saying much the same ever since his return to Rhodesia six weeks ago, but few whites then bothered to take any notice.

Having been driven to the depths of despair by the election result, white confidence has at least been partially restored as a result of his broadcast and subsequent statements. (The fact that Mr Mugabe is still committed to the eventual establishment of a socialist state in Zimbabwe seems to have been overlooked.)

People who had started packing their bags in preparation for a hasty exit have unpacked them again. The widespread speculation that had existed before the election of a white-backed coup or intervention by South Africa should Mr Mugabe try to move too fast.

Mr Mugabe's decision to retain General Walls, who will preside over the integration of the guerrillas with the regular army, is a clear recognition by him of the continued power of the security forces. General Walls, who has been one of the more constructive members of the Rhodesian administration during the past two months of British rule, is unlikely to accept any moves which he sees as seriously undermining white interests or in any way affecting the efficiency and stability of the armed forces. Therefore, Mr Mugabe will have to bide his time and hope that a combination of early retirements and resignations will enable him to establish progressive control over the security forces. However, in doing this he is likely to come under pressure

from his own guerrilla commanders who will be anxious for early promotion as a reward for their part in Mr Mugabe's political victory.

Other problems are likely to pose themselves before that. Foremost is the lack of administrative experience in the Zanu (PF) leadership which will soon be running the country. The party is long in ideology but short on administrative talent. The actual functioning of the new government is likely to be erratic, particularly if a number of senior and middle-ranking civil servants carry out their intention to resign during the next few months.

There are also bound to be internal divisions within the Zanu (PF) coalition partners. Despite their three years of co-leadership of the Patriotic Front alliance, Mr Mugabe and Mr Nkomo have always been uneasy partners. The fact that the two parties contested the election separately illustrates the division between them.

Many people in Zanu (PF) regard Mr Nkomo as a political opportunist. Mr Nkomo, who deeply resented the degree of intimidation his party suffered at Zanu (PF)'s hands during the election campaign, will be a reluctant junior partner in the coalition government.

The fact that the political leaders of the country's Shona majority and Ndebele minority will be represented in the new government should prevent the inter-tribal warfare which had been widely predicted. The various constraints on Mr Mugabe's authority ought to deter him from taking any actions that could provoke a white exodus and possible white retaliation. And there may well be peace now that the causes of the war have been removed.

Nicholas Ashford

Eric Heffer

## Did Titoism mean the death of Stalinism?

A great deal has been written recently about Tito's man, his role in the Second World War and the stand he took against Stalin in 1948. His story is an heroic one and the praise heaped upon him have been well deserved.

There is one aspect of President Tito and the Yugoslav situation, however, which needs simplification, and that is the important part played by the Yugoslav communists in breaking down the monolithic Stalinist nature of communist parties throughout the world.

On June 28, 1948, the Cominform, previously based in Belgrade, issued a statement from Bucharest, declaring that "The Information Bureau condemns the anti-Soviet attitude of the leaders of the Communist Party of Yugoslavia as incompatible with Marxism-Leninism and only fit for nationalists."

As world communist parties gradually severed all connections with the Yugoslav communists, Cominform support increased. That week, Boris Cominform paper, *For a Lasting Peace, for a People's Democracy*, in a lead article entitled "Fascist Beasts Run Amok" in September 1948, said: "The bourgeois nationalist clique in Yugoslavia having taken the anti-Soviet, anti-Marxist path, has reached the logical end of its anti-communism—Fascism."

A few weeks later, it was announced that the Yugoslav Cominform had been expelled from the Cominform. The Tito clique has taken another step towards restoring capitalism in Yugoslavia.

Prior to the Cominform condemnation of Tito and the Yugoslav communists, the Yugoslav party had been regarded as the party closest to the Soviet model. The editor of the *Daily Worker* in Britain, Bill Rust, had written a pamphlet saying as much, but this was hastily withdrawn from circulation once the Soviet Cominform had been expelled.

After breaking with the Russians, the Yugoslav communists continued to use Soviet-type bureaucratic methods. Circumstances, however, forced them to become less rigid and to seek new ways of organizing their economy. Milovan Djilas, the dissident ex-communist intellectual party leader and past prisoner of Tito, in a recent interview with George Urban, recorded in *Encounter*, clearly makes the point: "Our recognition of the truth about Russia was a gradual process—even after our break with the Cominform, it was during my visit to Russia in early 1948 that I began to become less rigid and to seek new ways of organizing their economy. 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## A RIGHT TO DECIDE

The steel strikers' ballot has produced as positive a result as the Government and the British Steel Corporation could reasonably have hoped. Two-thirds of the strikers voted in a ballot which their union had asked them to boycott—though union leaders later said they would be satisfied if their members voted "no". Of those who voted, 69 per cent were in favour of another ballot being held on the corporation's pay offer.

On an occasion like this, when there is a ballot about a ballot, there is always some room for differing interpretations of the outcome. There has been union criticism of the conduct of the ballot, but while that might have put a very narrow majority in question, it cannot possibly invalidate such a sweeping result as this. It might also be argued that it does not follow automatically that all those who voted for another ballot would then vote in such a ballot for acceptance of the pay offer. But if that is not their intention, it is hard to see why they should now have voted in such a way as to weaken the hands of their union in trying to extract better terms. They can scarcely have been seeking a further opportunity to demonstrate their solidarity behind their leaders, since they were acting now in defiance of those leaders.

This shows beyond question that nearly half of the strikers are dissatisfied with the way in which their union has been con-

ducting matters: they want to have their say, which is being denied them by their union, as to whether the pay offer should be accepted. It is highly probable, on the basis of these figures, that if another ballot were held, it would reveal a majority in favour of acceptance. If that calculation is wrong, the error should be displayed by giving the strikers the chance to vote. Yet that is precisely what is being refused by Mr William Sims, the general secretary of the Iron and Steel Trades Confederation, the union with by far the largest number of men involved.

To argue, as he does, that he is under no obligation to hold such a ballot because not quite half the strikers have voted for it is blatant casuistry. It is an example of a trade union leader with a greater regard for the semblance of his own authority than for the wishes of his members. If a majority of them want to settle for what is now on offer, he has no right to block that desire. If, despite the evidence of this vote, that is not what the majority want, then he would strengthen his own negotiating hand immensely by allowing their determination to fight on to be demonstrated in a ballot. It is wrong in principle for Mr Sims not to have a ballot on the merits of the offer, and it may well prove to be misguided in practice. Until he changes his position he will be negotiating with all the strength of a union leader who appears not so much

to represent the wishes of his members as to be afraid of them.

What then should be the attitude of the Government to today's negotiations? There is always much to be said for the Churchillian principle of magnanimity in victory. But it would be foolish for ministers at this stage to allow an urge to be magnanimous to obscure the reality of victory. When so many of the strikers want the chance to vote on the existing pay offer there is no occasion for the Government to do anything to change that offer. They need a victory in this dispute not from a sense of vanity and bravado—even though some of them might be tempted to indulge in such sentiments—but because it is necessary to the logic of their policy.

That policy requires that expectations should be reduced through unions recognizing that they cannot extract wage settlements which would be more than employers can afford to pay in the private sector or which would infringe the cash limits set by the Government in the public sector. Ever since the miners' strike of 1974 there has been an assumption that no government could afford to get into a major conflict with a leading union. If the outcome of the steel strike can change that assumption it will be all to the good, because it will have to change if the discipline that is the essence of the Government's policy is to work.

## NAMIBIA SHOULD BE NEXT

At the close of the Lancaster House conference Lord Carrington suggested that the Rhodesia settlement might "unlock the door" to a settlement in Namibia. At that time Whitehall believed—and thereafter continued to believe—that free and fair elections would put a coalition of moderate men in power. So did the South Africans. While the elections were being organized, the labyrinthine process of arranging a similar election for Namibia began to move towards final agreement between all parties—South Africa, the Namibian legislature, elected in 1978, Swapo, the anti-Swapo parties, the five western powers, the United Nations and the front-line presidents (especially President dos Santos of Angola for whom a settlement meant the isolation of the Unita rebels).

General Prem Chand is now in South Africa to negotiate a United Nations temporary control of Namibia on the lines of the British temporary take-over of "Southern Rhodesia". But Mr Mugabe's installation in power alters the calculations of the parties to the emerging Namibia accord. It has to be seen if the South African Government will suddenly find new difficulties while for Swapo old difficulties suddenly disappear.

They all appear close to signature. All attended the Geneva conference which ran parallel to Lancaster House. There the plan of a demilitarized zone along the Namibia-Angola border, sixty

miles wide and nearly 700 miles long, proposed by President Neto before his death, was worked out in such a way as to meet most of the difficulties between South Africa and Swapo on the disposition of the guerrillas inside Namibia and Angola and of the South African army and para-police inside Namibia. In effect the demilitarized zone was so drawn as to put the agreed 7,500-man United Nations force in control of most of the area in which fighting takes place—a big slice of Ovamboland where half Namibia's population lives and Swapo has most support.

In January South Africa, after a final offensive, accepted the plan subject to minor conditions which can still be converted into stumbling-blocks. These mainly concern the effectiveness of control over the guerrillas by the tiny United Nations force in an area as big as England, and the United Nations' gratuitous confirmation of their earlier akase that Swapo is the only party entitled to represent and rule the peoples of Namibia. This amounts to taking out a licence to repudiate the election if it does not yield a Swapo victory. The South Africans were indeed marking time to see if the African states, the United Nations and the communist hegemony would repudiate the Rhodesia election when (as was then expected) it produced a non-Mugabe government. President Nyerere obliged by repudi-

ating it in advance because he too feared that it would have that outcome. Now, of course, smiles all round and handshakes for British fairplay prevail. The South Africans can certainly assume that a defeat for Swapo would be repudiated by the same totalitarian personages.

However, the lessons of Rhodesia must suggest that Swapo victory, whoever intimidates whom, is distinctly possible. The Zimbabwe precedent will affect all Namibian voters. Like Zanu, Swapo is the nationalist party which got negotiations going by force, as well as being the Marxist party, the United Nations party and the party of the largest tribe. The effect of South African aid on Bishop Muzorewa suggests that a similar unpopularity at a secret poll awaits white-approved anti-Swapo parties.

The prospect of another Marxist-led state on its borders may well frighten Pretoria, quite apart from considerations of economics and communications. The Orange River is not a good frontier. But for other nations, whatever their interests in South Africa, the issue is plain. If free and fair elections on an agreed basis were right for war-torn Rhodesia, they are right for war-torn Namibia. If the people's choice is respected in the one, it is worthy of respect in the other. On the conditions agreed (and they are elaborate) South Africa must be urged to put Namibia's future to the test, and to stand the hazard of the die.

## David Wood

## MacLeod and the Tory magic circle

In his new book on Harold Macmillan, *The Last Days of a Great Man*, George Hutchinson fully repays the whole of Iain MacLeod's review by writing a scathing account of how Lord Home, the Conservative Party's "magic circle" during October 1963.

The review appeared in the *Spectator* of January 17, 1964, while the memories of all the principals might be reckoned fresh or even vivid. Hutchinson fairly denounces MacLeod's article as "one of the most remarkable pieces of the era". Certainly its consequences, the open hostility of Conservative leaders by members of the 1922 Committee, as been of lasting importance. No frailer and bolder argument of instant political history is likely to be written than MacLeod's. He has refused to serve under the derided Alec Douglas-Home and, seeing money as usual, had become editor of the *Spectator* and thereby in Gower Street rode a period of disagreeable party unpopularity. Yet, as Churchill used to say, MacLeod was a "man of letters" and his review for self-justification, as wrote, suggested after having been free from personal loyalty and party responsibilities, but named an influential politician in a campaign to fight. There is no respect, especially in which MacLeod misled himself and thereby misled his readers. His thesis ran that he, as party chairman and leader of the House of Commons, as well as others who did not bend before the party whip, did not know until Thursday, October 17, a week after the 1922 Committee conference, that

MacLeod was "the key day". He added: "It is some measure of the tightness of the magic circle on this occasion that neither the Chancellor of the Exchequer (Maudling) nor the Prime Minister (Home) were aware of what was happening." (The following day Douglas-Home went to see the Queen at the Palace.) At luncheon MacLeod and Maudling discussed Butler's good deal of interest in the House of Commons and "Home" was mentioned in conversation.

At this point begins a corrective footnote to the history of the affair. First, at least chronologically, in the spring of 1963, when Mr Macmillan began speaking vaguely about the timing of his resignation, and a handover at No 10, senior officers of the 1922 Committee had called on Lord Home and invited him to become a candidate for the succession. I believe he said neither "yes" nor "no" but he did not close the option. At that time Mr Macmillan told me he would look at the Cabinet table and see plenty of chiefs of staff but no commander-in-chief. A well-known member of the Commons and party chairman, as Iain MacLeod assuredly was, should have known of the 1922 executive's moves.

Secondly, the party conference in Blackpool, which had been "thrown" into uncharacteristic hysteria by the sudden news of Mr Macmillan's serious illness and impending resignation, at the time of the Blackpool week Iain MacLeod did know that the Home handover had begun to roll and that Home had become the choice of "the magic circle".

That day, MacLeod invited Sir Harry Boyle, then political correspondent of *The Daily Telegraph*, and me to meet him in his suite at the Imperial Hotel soon after midnight. Over what he called "long talks" he said he was "in a bit of a muddle" and had been involved in the "magic circle" of party consultation. He said that this conference should not disperse next day without knowing what was threatened.

"Rab" (Lord Butler of Saffron Walden) was due to deliver the rally speech on the next afternoon, as Mr Macmillan's deputy; and

"Rab", as Leader-in-waiting, needed a groundswell inside the conference.

About 2 a.m. Boyle and I left MacLeod and Dr Reginald Bennett, his PPS, and went to the telephone in the Imperial Hotel to ring our offices and dictate Iain's chapter and verse, and the nuances he had added. I remember the occasion with a vividness that only a terrible communication trouble and from the next cubicle I heard Harry's voice persisting paragraph after paragraph with a new lead for his last edition while I still struggled to get through.

The essential point is that nobody had gone beyond campaigning, rumour, speculation and guesswork about the choice of the new leader and his evolution by consultation, so far as I was concerned, until that midnight meeting. Iain MacLeod, who for wholly worthy reasons of party strategy as well as reasons of ambition for himself or Reggie Maudling, wanted "Rab" to succeed, was the one determined lack.

Yet that is emphatically not the impression that the well-loved Iain's review of Randolph Churchill's one-sided book leaves. Even a week after those long talks scotches in the Imperial Hotel, he wrote neither he nor Maudling thought Alec Douglas-Home was a contender, although for a brief moment his star seemed to have flared at Blackpool.

Eventually, he said, on the afternoon of Thursday October 17, he heard from Fleet Street (I suspect that the incomparable Derek Marks of the *Daily Express*) that the 14th earl had agreed to become a commoner and seen his duty plain.

The story justifies telling, I think, because it shows that the instant histories of principals involved in important or exciting events have to be studied with full allowance for *ex parte* interest; and, if the instant histories are suspect, especially in a day of Cabinet diaries and Prime Minister's memoirs, what of longer range histories that use contemporary records as their sources? Political history is a special form of fiction.

## Collecting fares for school buses

From Mr R. P. Welch  
Sir, The arguments in favour of payment for school transport are, on education grounds, pretty thin, and, on moral grounds, generally untenable (how many village schools have been closed with the promise of free transport being used by the Authorities as the main lever in persuading the locality to stop fighting the decision?). On practical grounds the arguments are plainly stupid.

Has anyone thought who is to collect the money? Is a new bureaucracy to be developed in every education office to bill parents? Schools are under enough pressure and cannot take on the collection of more money without extra staffing or extra curricula. It is actually reaching the children. If the bus companies collect the money daily, for which they will charge, what is the driver to do with the child who forgets the money? Leave him by the bus stop? In any case the delays involved with this form of collection would cause a collapse in the tight schedule of most school bus timetables.

And what is to be done with those parents, and there will be more than a few, who simply refuse to pay, perhaps because of the broken promise of free transport given when the local school closed. Will another bureaucracy need to be established to prosecute these parents for non-payment and for keeping their children away from school? The National Centre for Orchestral Studies and the Royal Northern College of Music will go any way to compensate for what is a monstrous insult to the British musical profession.

Reinforcing Dr David Lumsden's and Mr Maxwell Davies's powerful protests, the Marchioness of Aberdeen and Temair writes (March 6): "Why Scotland?" With passion let me add: "Why Ulster?" As one of the many musicians who has been musically and humanly enriched by association with the BBC Northern Ireland Orchestra, I can find no words strong enough to deplore the axing of this gallant professional organisation.

I somehow missed in your columns the anticipated comments of Mr Humphrey Burton, who surely has views on the whole matter.

Further, the important point of the British music publishing houses who have consistently risked and lost large amounts of money to publish and promote serious orchestral music by living British composers. No other nation can point with comparable pride to such an unpreserving organisation as the Music Publishers' Association of Great Britain and the axing of the five orchestras will inevitably force new economies in the publication of new music, which in turn will penalize and discourage living British composers and, in consequence, reduce even further the chances of gramophone records of their music.

The necessity of new financial restrictions may not be in dispute, but the method of implementing these restrictions by attacking the most vulnerable, is either cruel, wicked, or simply purblind. The BBC's Central Music Department should be renamed with the words "British" and "Music" deleted, having become a mockery.

Yours faithfully,  
MALCOLM WILLIAMSON,  
510 Ben Jonson House,  
Barbican, EC2,  
March 6.

From the Controller of Music, BBC  
Sir, Your thoughtful letter on BBC priorities (March 7) contains one major factual error. The BBC is not proposing "to sweep away all the regional symphony orchestras". Far from it, we propose to retain the BBC Welsh Symphony Orchestra and the BBC Northern Symphony Orchestra. So, even after the economies, we would still have three symphony orchestras and three others, and would be employing 379 musicians.

This is hardly the stance of an organization which plans to rely for its music on gramophone records.

Yours faithfully,  
BRIAN STANBRIDGE,  
Director-General,  
Air Transport Users' Committee,  
129 Kingsway, WC2.

From Air Vice-Marshal Sir Brian Stanbridge  
Sir, In criticizing the British Airways proposal to abandon first-class cabins on European routes, and replacing them with "club class" seating at a low price but with less leg room, Mr Powderham (March 4) suggests that this is "just the latest of many gradual but consistent erosions of first-class international facilities".

Let that first-class fares have been cross-subsidized by economy-class passengers for many years and that if first-class passengers were asked to pay fares related to the costs of the services they enjoy, they would be unwilling to do so.

British Airways freely admits that first-class travel in Europe is losing money and, with less than half the first-class seats provided during last year being filled, this is hardly surprising.

The Air Transport Users' Committee has worked for some years to get the anomaly of cross-subsidization of first-class fares corrected, and welcomes the new British Airways proposal—providing it really is a step in the direction of charging each passenger no more than he or she gets.

Yours faithfully,  
R. J. MARSHALL,  
10 The Glade,  
Bickley,  
Bromley,  
Kent.

## LETTERS TO THE EDITOR

### Cuts in BBC's music services

From the Matter of the Queen's Music

Sir, It has rapidly become clear that the musical profession of Great Britain, while possibly not shocked, is appalled by the BBC's decision to axe five of its orchestras. Sir Anthony Lewis (March 3) has spoken on behalf of our many excellent Music Schools, rightly deploring the predicament which will face young orchestral musicians entering the profession: British and foreign conductors have rightly made their protest, and in an eloquent and courageous letter Mr Peter Maxwell Davies (March 5) has put the reaction of the British composer.

One foresees other deplorable results of this decision. Mr Robert Ponsonby, following the First World War and the Depression, the cultural life-blood of Britain withdrew to the south-east of England, creating an imbalance in the country from which we have only recently begun to recover.

There always regretted the failure to develop political decision-making to the regions, as much for cultural as political and social reasons, since there seems to be an obvious link between the quality of life and industrial performance. With cultural activities so heavily concentrated in the London area, away from the great centres of production, is it any wonder that a situation, where responsibility for creating national wealth is left in the hands of people with little opportunity to be anything but cultural philistines, should lead to a decline in industrial vigour?

More tangible evidence of this can be seen in what happened to the central areas of our industrial cities. The great monuments to the Victorian industrial age have been allowed to disappear without so much as a murmur of protest, only to be replaced by artless utilitarian deserts.

We desperately need a rekindling of regional enthusiasm and pride, which makes all the more important the encouragement for the arts away from the south-east. That way perhaps the drift to the London region can be reversed and talented creative people prompted to stay in the south-east.

For the BBC not to be leading the way in this is scandalous. Would it be so unthinkable for them to look for economies in the south-east and even for them to throw a greater proportion of their resources to the region?

A more devoted BBC would be a good start. In this context, to argue for the disbanding of say the BBC Symphony Orchestra itself would be easier than to justify the axing of its regional counterparts.

Yours faithfully,  
HUGH WAINE,  
182 Gloucester Place, NW1.

From Mrs Barbara Hopkinson  
Sir, Further to the comments of Mr Richard Fisher (March 7), with which I heartily agree, since the changes in the wavebands listeners in this area have been virtually denied access to Radios 3 and 4, reception being so poor, and after 6 pm unobtainable.

I would suggest that Radio 1 be handed over to Radio 3 to enable a long suffering minority to hear music again instead of the cacophony that pours forth from almost any spot on the dial today.

Yours sincerely,  
BARBARA HOPKINSON,  
1 Woodville Court,  
Grove Road,  
Nottingham,  
March 5.

From Mrs Mabel Cluer  
Sir, We do not possess a television set and so pay nothing at all towards the marvellous music we receive daily by radio.

Could not some form of radio licence be reintroduced, payable directly to the BBC?

Yours faithfully,  
M. CLUER,  
12 Elm Walk,  
Raynes Park, SW20,  
March 7.

part of President Carter's sudden determination to "go to the aid of" "launch a counter-offensive against détente and peace" and to "confront" the ever-peace-loving Soviet Union. The United Nations vote was engineered by the United States and so was the vote at the Islamic Conference.

There would most help to confirm this propaganda line and to obfuscate what virtually the whole world saw as aggression and insult would be for the United States Government now to accept the role temptingly being offered to it in the various official Soviet "hints" and statements, and begin private, bilateral, secret, talks that leave the rest of the insulted and threatened outside the door.

If ever there was an international crisis that needed dealing with internationally and in the full light of day, this is it.

Yours, etc.  
ELIZABETH YOUNG,  
100 Baywater Road, W2,  
March 5.

From Mr John S. Wheeler  
Sir, I wonder why the British Library is worried about moving books between repositories and reading rooms when the Records Office thinks it is such a good idea for medieval manuscripts.

Yours faithfully,  
JOHN S. WHEELER,  
8 Sandmartin Lane,  
Norton,  
Stockton-on-Tees,  
Cleveland.

From Mr John M. Gold  
Sir, I have just been presented with an estimate totalling £78.46 for minor repairs to a Japanese radio. When I pointed out that the radio had only cost £35 when purchased new in the Far East, the manager said it had to be remembered that Japanese labour was unskilled whereas the repairs would be carried out by skilled British craftsmen.

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21 Brookside,  
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From Mr Philip Evans  
Sir, Indeed, why can't the French just eat the strawberries (March 5)? In Italy I found them tasty, but some people are put off by the black patches on the flesh, André Simon gave a letter in *The Times* as reference for their being on sale in a London store at 9d each in 1942.

Yours faithfully,  
PHILIP EVANS,  
24 Abbey Road, NW8.

It is an indictment that private employers have not taken the opportunities made to improve the lot of the disabled—but then why should they when there are Government departments which

Furthermore, with respect to Mr Whitney (March 7), we are concerned with permanently contracted orchestras, not with the occasional ad hoc engagement of freelance musicians, as is the case with the Wren Orchestra.

Yours faithfully,  
ROBERT PONSONBY,  
British Broadcasting Corporation,  
156 Great Portland Street, W1,  
March 7.

From Mr Hugh Waine  
Sir, Now that we are beginning to see the stark reality of the current recession at home, I am prompted by one of the symptoms, namely the BBC's proposed economies, to wonder whether we are setting a tragic repeat of history. To all appearances, following the First World War and the Depression, the cultural life-blood of Britain withdrew to the south-east of England, creating an imbalance in the country from which we have only recently begun to recover.

There always regretted the failure to develop political decision-making to the regions, as much for cultural as political and social reasons, since there seems to be an obvious link between the quality of life and industrial performance. With cultural activities so heavily concentrated in the London area, away from the great centres of production, is it any wonder that a situation, where responsibility for creating national wealth is left in the hands of people with little opportunity to be anything but cultural philistines, should lead to a decline in industrial vigour?

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## A great tale of heroism

From Lord Hunt

Sir, I was interested to read Bernard Levin's sensitive article in *The Times* (March 6) about the intention of a Japanese expedition to search for the remains of Mallory and Irvine, based on information helpfully made available by members of a Chinese expedition which was on the northern side of Everest in 1960.

From reports which I have read, I share the opinion of some earlier British climbers who took part in pre-war expeditions on that side, that the Chinese mountaineers may have found the body of Maurice Wilson, who made a lone attempt to climb the mountain in 1934, and who was found in his tent in the vicinity of the traditional site of Camp III, at the foot of the North Col, by a British reconnaissance expedition the following year. Wilson's remains, his tent and its contents were buried where they were found, quite low on the mountain.

However this may be, I very much agree with Mr Levin that it would be better not to pursue this search. To one who was a British mountaineer myself it Mallory and Irvine died, in fact, reach the summit 29 years before our successful expedition in 1953. I believe this to be the view of Sir Edmund Hillary also.

But the fame of these two men can never stand higher than it does, whether or not they stood on the top of Everest. This is one great tale of heroism in which an element of mystery enhances its inspiration for posterity.

Yours truly,  
JOHN HUNT,  
Royal Geographical Society,  
Kensington Gore, SW7.

Inter-Church marriages

From the Reverend Prebendary Henry Cooper

Sir, Graduate is due to Mr Clifford Longley for bringing again to notice (March 3) how urgent it is both for sacred and secular relationships, that the rules for inter-Church marriages should be revised.

Perhaps wisely the Roman Catholic guidelines allow local episcopal conferences to decide upon their pastoral application. But the consequence of this has been a harsh interpretation in Ireland, a country in which there is manifestly greater need for generous and wise judgment than in England.

It is little known that a joint international commission of Anglicans and Roman Catholics (ARCIC/M) met in various parts of the world from 1968 to 1975 and, in the latter year, reported to the Archbishop of Canterbury and to Cardinal Villabrand, then the President of the Secretariat for Promoting Christian Unity. The report was published in 1975 over the names of the commission, the chairman of which were the former Primate of Ireland, Archbishop George Stills, and the Bishop of South Carolina, Ernest L. Unruh.

Since then it has lain on both RC and Anglican shelves and the positive recommendations it made have been ignored by both sides.

May I suggest that the Irish bishops take heed to it and that both parties look again at its findings. It was to be a modern, remarkable that this worldwide and weighty commission should have reached agreement on the theology of marriage and its application to mixed marriages.

Failure to use its work is little short of tragic.

Yours faithfully,  
HENRY COOPER,  
Secretary of the Commission,  
106 Woodstock Road,  
Witney,  
Oxfordshire.

Hey-day of blades

From Dr Nanny Tiffany

Sir, I have taken it for granted all my life that, when I wanted a penknife, all I had to do was turn to the nearest male and my needs would be met, sometimes with thinly-veiled concern for the future state of the implement, sometimes with alacrity and the most appropriate blade already in position. Sometimes they would even do the job for me!

Yesterday, in a brief survey of a very heterogeneous group, I could rustle up only two penknives, neither of which was really adequate for my needs. One was such as I have given my young son, and rather blunt; the other was a monster and very blunt.

Has the need to carry a penknife been superseded by our throw-away economy or influenced by a change in fashion to tight trousers, or what? Is its disappearance from the pockets of our male population uniformly distributed?

Yours truly,  
NANNY TIFFANY,  
84 Old High Street,  
Readington,  
Oxford.

Equally moving

From Mr John S. Wheeler

Sir, I wonder why the British Library is worried about moving books between repositories and reading rooms when the Records Office thinks it is such a good idea for medieval manuscripts.

Yours faithfully,  
JOHN S. WHEELER,  
8 Sandmartin Lane,  
Norton,  
Stockton-on-Tees,  
Cleveland.







# THE TIMES

## BUSINESS NEWS

The inflation accounting debate, page 17

### Stock markets

FT Ind 455.7  
FT 615.85

### Sterling

\$2.2285  
Index 71.9

### Dollar

Index 87.2

### Gold

\$613.50

### Money

3 mth sterling 18.184  
3 mth Euro 5 18.184  
6 mth Euro 5 18.184

Friday's close

### IN BRIEF

## Builders urge drastic action by Chancellor

Building industry leaders have urged the Chancellor of the Exchequer to boost the private homes sector by doubling the threshold for tax relief on mortgage interest from £15,000 to £30,000, and cut the minimum lending rate as soon as this is consistent with general economic strategy.

Mr Ronald King, president of the House Builders' Federation, said these urgent measures had to be taken if private home-building output was to expand and begin to fill the gaps that will be caused by the recent cuts in public sector building.

According to industry estimates, cutbacks announced by Mr Michael Heseltine, the Secretary of State for the Environment, will remove £600m of work from the public homes programme.

### Romanian deal

Lord Carrington, the Foreign Secretary, has been urged by some Conservative MPs to treat sympathetically any request from President Ceausescu of Romania to buy North Sea oil. Lord Carrington leaves for Romania on Monday for a five-day visit.

### £10m Douglas orders

R. M. Douglas Construction of Birmingham has been awarded a £7.4m contract by Telford Development Corporation to build the northern primary road serving the new town. The company also announced other contracts worth £2.9m.

### 80 pc stake in Target

An 80 per cent interest in Target Computer Services, London, has been acquired by Interco Ireland, a Dublin computer service bureau in which Avenue Investments and Waterford Glass have substantial shareholdings.

### Japanese budget

Japan's House of Representatives has passed a 42,588 billion yen (£2,283,272,000) National Budget Bill for fiscal 1980, which begins on April 1. The budget was up 10.3 per cent from the original budget in fiscal 1979, reflecting concern over the government's heavy dependence on bond issues.

### Hauliers' anger

Because of delays at the Royal Seaforth container terminal at Liverpool docks, road haulage firms are threatening to abandon the port. The Mersey Docks and Harbour Co admits delays over the winter months, due to a shortage of straddle carriers. Now nine more have been bought for £2.25m and a £30,000 road resurfacing programme started.

### Peking director

For the first time an official representative of the Peking government has joined the board of the Hongkong and Shanghai Banking Corporation. It is Mr Li Ke-Shing, a self-made multimillionaire Hongkong capitalist who, with two other Hongkong businessmen, also with Peking links, was appointed chairman of the China International Trust and Investment Corporation in Peking last year.

### Claims working party

A joint working party is to be set up by the Department of Transport and the Federation of Civil Engineering Contractors to examine the way in which claims for extra payments on Government contracts are submitted. This follows suggestions by contractors that claims amounting to £20m, some of them dating back eight years, are outstanding.

## R-R will report £100m loss due to fall in dollar exchange rates

Huge losses of about £100m resulting from unfavourable exchange rates on contracts with United States companies, will be revealed by Rolls-Royce within the next few weeks.

It will be the dominant feature of the state-owned company's report and accounts for last year, and is bound to create a parliamentary storm and reopen the controversy over the aero-engine company's relationship with the National Enterprise Board which was severed last autumn by Sir Keith Joseph, Secretary of State for Industry.

Such is the scale of the exchange rate losses last year that Sir Keith Joseph, the new chairman, and his board colleagues are now engaged in a review of the way in which R-R covers its foreign exchange contracts.

Modification of previous practices may well form a key feature of the company's 10 year corporate plan which is now being compiled and which will be submitted to Sir Keith Joseph this summer.

It was the substantial loss on dollar denominated contracts secured by Sir Kenneth Keith (now Lord Keith) former chairman of R-R, amid a blaze of publicity last year and the year before which was at the heart of the row between Lord Keith and the previous NEB board and Sir Leslie Murphy, its former chairman.

Orders with Boeing and Lockheed for the RB 211 535 and 211-524 engines were taken when the exchange rate was \$1.80, and assumed a drop to \$1.65 in 1979. But with the surge in the value of the pound against the dollar, substantial losses are now being made.

The previous NEB board last year submitted a detailed report on the R-R finances to Sir Keith Joseph. Sir Leslie Murphy, concerned at the scale

of the problem and the drain which Rolls would make on the NEB, wanted the contracts renegotiated. He spoke publicly of the need for tighter financial discipline at Rolls. The board regarded margins on the contracts as insufficient but was unable to obtain details of the precise terms.

Lord Keith canvassed successfully for responsibility for the monitoring of R-R to be transferred from the NEB to the Department of Industry. This was agreed to by Sir Keith Joseph and his decision prompted the resignation of the full board of the NEB.

Stewardship of the company's affairs is now effectively in the hands of the Department of Industry, although the NEB continues to hold vestigial responsibilities until legislation is amended with enactment of the Government's Industry Bill.

Rolls-Royce said yesterday: "The board has not yet met to discuss and finalize all the factors which will be involved in our balance sheet for 1979. The exchange rate factor is only one of them."

The board is, however, having talks with its auditors and a board meeting is scheduled at the end of this month. Rolls made a profit of more than £16m in 1978 but suffered a loss in the first half of last year. It was later affected by the national engineering strike which led the company to close for three weeks.

Last night a spokesman for the NEB said: "I have no idea what the R-R results will be, but it is well known that the previous board expressed some reservations about the financial discipline at Rolls-Royce. Apart from certain residual responsibilities, overall responsibility has been transferred to the Industry Department. We have an exciting job to tackle on many other fronts."

## Decision soon on Immos funding

By Kenneth Owen Technology Editor

The Department of Industry yesterday denied a report that the Government had decided to approve a second tranche of £25m funding for the National Enterprise Board's Immos semiconductor subsidiary.

A DoI spokesman said that no decision had yet been taken on the Immos finance. But "we are getting close to a decision and hope to make an announcement soon."

An adjourned debate on Immos is scheduled to be held in the House of Commons on Thursday night, to which Mr Michael Marshall, Parliamentary Under-Secretary of State, will reply on behalf of the Department of Industry. The Government's decision may already be known by then, it is understood that ministers are to discuss the matter further on Tuesday.

The second aspect of Immos affairs that is occupying Sir Keith Joseph, Secretary of State for Industry is the location of the semiconductor company's first United Kingdom factory. An application for an Industrial Development Certificate which would allow the company to set up a factory in Bristol, site of its existing technology centre, was received on February 8, since when Immos has been waiting for a reply.

Three former ministers at the Department of Industry under the Labour Government wrote to the Times on February 29 to say that Immos had undertaken to locate its production units in assisted areas. Mr Ian Barron, executive director of Immos, has denied this.

Last week Mr James Callaghan, leader of the Opposition, wrote to Sir Keith urging the Government to urge the Bristol plant. Mr Callaghan asked the Secretary of State to "take into account the real plight of the South Wales area in these problems of unemployment and new industry."

Mr Callaghan wrote: "I am sorry you do not feel able to meet a delegation from South Wales."

Last week Sir Keith saw two delegations of Members of Parliament, respectively in favour of and against the Bristol location for the Immos factory. The latter delegation urged in particular the merits of Cardiff and Washington.

## Lloyd's faces \$40m leasing claim in US

From Anthony Hilton, New York, March 9

Next Thursday at the small Federal district court in Baltimore, Maryland, Lloyd's of London will find itself in the dock, being sued by Federal Leasing, a Washington-based computer leasing company. Judge Harvey will hear oral pleadings on a preliminary injunction, and this will be the first courtroom step in the longest ever legal action against Lloyd's.

The stakes are high: not so much in this case, where the damages sought amount to \$40m, but because if this action succeeds it will open the door to the rest of the company's claims against Lloyd's, totalling \$500m. The origins of the case go back to 1974, when Lloyd's wrote a policy which insured a leasing company against the risk that customers hiring a machine would break the contract.

The incentive for companies to break such a contract comes with technological progress. New machines come on the market three or four years into a seven year lease which will do the job far more efficiently and cheaply.

After a profitable three years the leasing industry collapsed in 1978-79, when IBM announced a new generation of machines which made previous computers look obsolete and costly.

Hundreds of customers terminated their leases. Federal Leasing went to Lloyd's and asked for its money under the policy. But so far Lloyd's has refused to meet the claims, hence the legal battle. The case will stand or fall largely on the status given to a secret agreement which it made with the Lloyd's syndicates two years ago when Lloyd's agreed to pay up,

according to Mr William Evans, aged 37, a co-founder of Federal Leasing.

He claims that the March 13, 1978 agreement said that Lloyd's would pay on cancellation of a leasing contract, or if the financing bank would like to pay. Alternatively it would guarantee to continue the insurance cover into the future, if the banks agreed to re-finance the computers so they could be leased to new customers.

This agreement was endorsed by all the underwriters involved, Mr Evans said. In signing they were acting on the advice of Lloyd's north American counsel, the law firm of Le Boeuf, Lamb, Leiby and Macrae of New York, which said in an attached opinion that if the underwriters did not sign Federal Leasing would sue. And if it sued it would probably win.

As a result of the March 13 agreement, Wells Fargo, one of the main

banks involved, agreed to re-finance 15 of the collapsed leasing deals, and asked Lloyd's to endorse the insurance policies.

According to Mr Evans it was six months before Lloyd's did so, by which time Wells Fargo and the other banks involved had become restless. Money still outstanding to the banks is the core of the court action.

Mr Evans said that the delays and uncertainty in the settlement of claims had destroyed his company. "If Lloyd's had agreed to pay up promptly every bank would have refinanced and all our machines could have been re-marketed. Lloyd's might then not have had to pay out," he said.

He sees Lloyd's refusal to settle quickly as a ploy. "If they drag it out long enough they think we will go under, and not be able to continue the case," he said.

## President Carter weighs options for budget austerity measures

From Frank Vogl, Washington, March 9

President Carter held extensive meetings with his advisers this weekend to develop his anti-inflation plan. The centre-piece of the plan will be public spending cuts for the next fiscal year, starting on October 1.

But budget-cutting is said by senior administration officials to be just one part of the overall plan. The President is meeting frequently with Mr Paul Volcker, the chairman of the Federal Reserve Board, and some credit controls are possible. New policies on the energy front are also being considered.

President Carter told reporters at the White House that he had not yet set a time for announcing new actions. He added that no definite budget decision had been taken. The President had been in constant meetings with groups of advisers and members of Congress on Saturday. It is believed the administration is still striving to put together its programme by March 17 at the latest.

The White House's economic advisers are in the midst of

revising their forecasts. They no longer believe that it will be possible to bring inflation below double digits this year, and they are less certain than was the case just a few weeks ago of a recession developing. The President has left no doubt that he is willing to risk higher unemployment in order to dampen inflationary pressures.

Leaders of the House of Representatives and the Senate are deeply involved in the economic discussions. It is clear that the President wants to see as much support as possible from the Congress for budget austerity measures before announcing the details of his programme. He hopes, as a result, that the need for swift action to reduce spending will be seen in Congress after he makes his announcements.

It seems clear that the White House is trying to cut spending for the next fiscal year by between \$12,000m and \$15,000m. At the same time, the administration hopes to raise between \$4,000m and \$5,000m in revenue.

One cost-reducing measure under consideration is slowing

the cost of living increases involved in the social security system and in assorted welfare programmes. A freeze on government hiring is likely, as are cuts in administrative expenses. Reductions in the Federal Government's payments to states and municipalities seem certain. However, it does not seem likely that there will be any reduction in defence outlay.

The President indicated at the weekend that he may set specific state-by-state energy conservation targets. He may also try to raise revenue and cut energy demands at the same time by imposing import fees on oil.

Administration officials say that the only credit controls that have been ruled out are ones that would directly affect the housing and car industries. Consideration is being given to ways in which the use of credit cards can be reduced. There is also a possibility of the Treasury Reserve announcing tighter credit policies at the same time as the administration announces its programme.

## Government closer to publishing money plan

By Caroline Atkinson

The Government has recently made a decision to publish with the budget a medium-term financial plan which would set out targets for the money supply for several years ahead.

However, the final go ahead will have to be given by the Treasury Ministers, possibly in discussion with other senior ministers outside the Treasury, and there is still substantial disagreement within the Treasury and the Bank of England about whether such a plan should be published and if so how it should be drawn up.

Sir Geoffrey Howe, Chancellor, and Mr Nigel Lawson, the Financial Secretary to the Treasury, are now in favour of publishing. Mr John Biffen, Chief Secretary to the Treasury, and a Cabinet member, is believed to be much less enthusiastic. There appears to be more general support for the plan within the Treasury than in the Bank of England.

Mr Terry Burns, the Government's new Chief Economic Adviser, is strongly in favour of the plan, in contrast to his predecessor. It now seems that many of those in favour of a plan want to publish a full one which will include not only money targets but also a single figure for output, prices and other economic variables.

There is also strong pressure for a plan which expresses the money supply growth target in a single figure rather than a range. Mr Nigel Lawson is thought to be in favour of this.

Others believe that the Government should give itself more freedom than the 1979 individual mutual funds which report to the institute.

The big brokerage houses are moving rapidly into economic close rivals of the banks. They are major operators in the money markets and by no means are their dealings confined these days to the more traditional commodity and equity exchanges.

The funds invest strictly in short-term paper, and average maturities of outstanding paper are between 30 and 40 days, Mr Green said. For the most part the funds only buy and sell bank certificates of deposit, commercial paper and Treasury bills, with some modest investing in Eurodollar market paper and some short-term notes issued by leading utilities.

The funds generally insist upon minimum initial investments.

quickly appear to be impossible because of unforeseen events. If the plan contains very tight, single figure targets then, it is argued, it could easily be overshoot for a month or two, and this could upset financial markets, dry up gilt sales, and frustrate the aims of the plan to control money growth.

On the other hand the Government's commitment to a long-term reduction in money supply growth could encourage the markets to overlook short term variations.

A particular problem at the moment is that money supply growth is now running above the present 7.1 per cent target, at 7.4 per cent annual rate. The true growth rate is even higher as the corset controls on bank lending have distorted the figures by an estimated 2 to 3 per cent.

The Government is committed to lifting the corset, although nervousness about what this will do to the figures is holding up the decision to take it off.

If the corset is removed then the Government has to decide whether to raise its published money supply targets by 2 or 3 per cent to take account of this.

The purpose of a medium term financial plan is to control the Government's money supply growth, as it is thought that this will reduce the rate of inflation both directly and indirectly through lowering inflationary expectations.

It is, however, difficult to produce a plan which is both feasible and implies much success in bringing down inflation. Some opponents of the plan think that the Government will be over-optimistic.

## Forecast of recession since 1945

By Our Economic Staff

British industry is likely to be the big casualty of the coming recession, which will probably be worse than any since 1945, according to Cambridge Econometrics forecasting group.

Their forecasts, based on a very detailed model of British industry, show that the engineering industry, for example, could suffer a drop in output of 20 per cent over the next three years. Economic output is expected to fall by 31 per cent this year, close to the Treasury's own initial and very gloomy forecasts. Government policy, combined with the bleak world outlook, means that industry will be particularly hard hit in the coming years.

Cambridge econometrics expects industrial investment in plant to fall by 32 per cent between 1979 and 1982, and investment in all buildings to drop by 8 per cent.

They foresee a further decline of 15 per cent in the competitiveness of British exports over the next two years from a level which is already startlingly low by historical standards. However, North Sea oil is forecast to ease the strain on government finances over the next few years leading to interest rates of 9 per cent in 1983 and income tax at 25 per cent standard rate.

The other forecast published today by the London Chamber of Commerce and Industry, says that British industry is now less competitive than at any time in the last decade.

## Industry concern at delay over orders for nuclear plants

By Nicholas Hirst

Plant manufacturers for the nuclear industry are extremely concerned at a six-month delay on ordering the hardware components for the advanced gas-cooled reactor power stations planned for Heysham and Torness.

As a result, the central policy review staff has been asked by Mrs Thatcher, to investigate the effects the lack of work might have.

Clarke Chapman, the boiler-making arm of Northern Engineering Industries, is particularly short of work, having hoped for an order for an oil-fired power station at Incewath Point to serve the south-west which was cancelled by Mr Anthony Wedgwood Benn, Secretary of State for Energy in the previous Government.

Government plans to order around 10 nuclear power stations over the next 10 years are now severely at risk. A warm water and low industrial use has led the Central Electricity Generating Board into a loss, and has brought threats of price rises above those already announced for later this year.

With the electricity industry's cash limits, their current level, the building programme looks too large. The case for going ahead on the grounds that nuclear power provides a saving on fuel cost against oil and older coal-fired stations is weakened by an 8 per cent drop in energy demand projections for 1985.

The nuclear stations being ordered now will not come on stream until the late 1980s and early 1990s. But demand now looks like starting from a lower base, having dropped by 8 per cent in the projections for 1985. Delays on the British-designed AGR at Heysham run by the CEBG and the South of Scotland Electricity Board's planned AGR at Torness are caused by problems in the design work which have put back the time when a case for the safety of the reactors can be put before the nuclear installations inspectorate.

While the cash-short CEBG is relieved at being able to put



Mr Glyn England: being asked to explain estimates.

back its intended hardware orders from March and April when they were originally planned, the delay may be used as ammunition against the American designed Pressurized Water Reactor system.

Arguments over reactor choice continue to rage. The Parliamentary Select Committee on energy has heard evidence from Sir Alan Cottrell, a former chief scientist, against the PWR and from Dr Walter Marshall, the deputy director of the United Kingdom Atomic Energy Authority, himself another former chief scientist, in favour of it.

Mr Glyn England, the CEBG chairman, is to be asked to appear again before the Select Committee to explain his board's revised estimates for electricity demand.

The Government was planning to place an order in 1982 to establish the option of building a string of PWRs but it looks increasingly likely that it will be impossible to place an order, before 1983. The signing of a licence agreement with the American corporation, Westinghouse, has still not been made, and the all-important post-off chairmanship of the National Nuclear Corporation, the contractor for nuclear sites in the United Kingdom, has still to be made.

## Opec funds problem may dominate talks

From Peter Norman, Brussels, Mar 9

The state of the Eurocurrency markets and the problems involved in recycling the balance of payments surpluses of Opec members are likely to dominate the regular monthly meeting of Western central bank governors in Basle tomorrow and Tuesday.

The bankers will have a first chance to discuss together the reports on the Euromarkets drawn up by their experts in response to last year's call by Mr William Miller, the then chairman of the United States Federal Reserve Board, for minimum reserve requirements on Eurobanks.

History has not been kind to Mr Miller's suggestion. It was born at a time when the international financiers were concerned at the rapid expansion of lending in the markets and fearful of its inflationary implications. Today the overriding consideration is to do nothing that might call into question the capacity of the

markets for recycling the estimated \$120,000m (£52,740m) of surplus oil money this year. The basic starting therefore, can be expected to express a general confidence in the system as it exists.

But the expert groups set up under the auspices of the Bank for International Settlements have taken a long and hard look at the Euromarkets. Their reports are understood to stress the importance of prudential controls over the banks.

It has also been suggested that countries like Japan could borrow from banks on the Eurocurrency markets, killing two birds with one stone by covering part of their balance of payments deficit and improving the mix of risks available to international banks. The monetary authorities in Switzerland, and West Germany have indicated that they are prepared to move in the direction of a multi-currency reserve system, provided the development can be carried out in an orderly manner.



### BEARER DEPOSITARY RECEIPTS

Following the DIVIDEND DECLARATION by the Company on 10 January 1980 NOTICE is now given that the following DISTRIBUTION will become payable on or after 12 March 1980 against presentation to the Depositary (as below) of Claim Forms (obtainable from the Depositary) listing Bearer Depositary Receipts.

Gross Distribution per Unit 5.00 cents

Less 15% U.S. Withholding Tax 75 cents

4.25 cents per Unit = 0.0188889

Converted at \$2.25

DEPOSITARY

National Westminster Bank Limited

Stock Office Services

3rd Floor

Drapers Gardens

12 Throgmorton Avenue

London EC2P 2ES

7th March, 1980.

## THE POUND

	Bank	Bank	Bank	Bank
	buy	sell	buy	sell
Australia \$	2.08	2.01	Norway Kr	11.50
Austria Sch	29.50	28.10	Norway Kr	111.50
Belgium Fr	69.25	65.75	South Africa R	1.57
Canada \$	1.22	1.15	Spain Pn	153.50
Denmark Kr	12.80	12.34	Sweden Kr	9.45
Finland Mk	8.80	8.40	Switzerland Fr	2.28
France Fr	6.55	6.25	Yugoslavia Dnr	53.50
Germany DM	3.36	3.25		
Denmark Dk	99.00	95.00		
Ireland Pn	11.40	10.80		
Italy Lira	1.12	1.08		
Japan Yen	350.00	340.00		
Netherlands Gld	4.58	4.35		



## MANAGEMENT

## Loss of trade and lack of language

Later this year, the modern languages working party of the Head Masters' Conference is producing a document in an attempt to get the university examination boards interested in entirely language-based "A" levels.

The problem is that most "A" level syllabuses and university syllabuses in modern languages insist that quantities of classical literature should be learnt, and that essays should be written about it—in English. This puts off many potential linguists, who have no intention of studying literature in depth, or teaching languages themselves.

As a result, many students do not continue with a foreign language after "O" level, and it is these people who often finish up in engineering, marketing, sales and export jobs, unable to compete linguistically with their German, French, Dutch, Swiss and Scandinavian competitors.

But do British companies really want their managers and representatives to speak foreign languages? Many foreign language students, teachers and professional linguists think not—though many companies blame academia for having failed to produce linguists who are sufficiently practical or businesslike for their purpose. They complain that the majority of available linguists are the last people to let loose in the business world.

Besides, since the Americans do not speak foreign languages, while the much-admired Japanese speak western tongues rather badly but still succeed in business very well, many companies ask what the ability to speak foreign languages has to do with business success abroad?

One company man who thinks otherwise is Mr Keith Brauer, president of the Institute of Sales Management, who says: "Only 26 per cent of our exports are to the English-speaking world, while 50 per cent are in western Europe. Is it not time for our own companies to press their own case so that our schools and universities are provided with an increasing number of qualified language teachers and an increasing curricula involvement with foreign languages?"

Mr Brauer says that, with more than 3,000 company directors among the institute's 16,000 members, a regular dialogue is maintained with many decision-makers involved in exports, in particular with those in the EEC, who regard the disadvantage they face when wishing to sell in Europe, where their competitors have sales personnel who can, with difficulty, negotiate in at least three commercial languages.

Commenting on the problem of school children who give up foreign languages after their "O" levels, Mr D. M. Spawforth, housemaster at Wellington College, says that he undertook a research project into the subject, funded by British Petroleum in 1977.

As a result of this he proposed and set up, in conjunction with the Oxford and Cambridge Schools Examination Board, a new course entitled German for Business Studies. A similar course, in French, was also drawn up, and a Spanish course is now mooted.

The syllabus is aimed at those pupils who, on starting their "A" level courses, give up their foreign languages—that is the engineers, managers,

lawyers, and doctors of the future.

Next week (March 22) Aston University is holding a one-day conference for schools on the value of increased knowledge of foreign languages. A foreign language steering committee at Aston, whose members include representatives from the business community (Mr M. Ward of Courtaulds and Mr G. Toutoung of Eurolang) is attempting to set out the facts for both industry and academics.

Along with others who have investigated Britain's comparative lack of foreign language skills, Aston lays the blame on the education system "with its early specialisation which forces a company to choose between a linguist and a man with technical know-how."

Bob Crew

## Cashing in on the craze for the wide open spaces

## A gamble for the US market pays off

Everyone is going to America this year. Canyons, deserts and prairies crowd the travel brochures, and the competition to take people there is so intense that even those wide open spaces must be getting a little crowded with British tourists.

Many of them will be there by courtesy of Reg Pycroft, chairman of Jetset Travel, Britain's third largest (after Laker and British Airways) transatlantic carrier and one of the early pioneers of low-cost holidays in the United States.

His is the classic rags-to-riches story. He had spent his life in and around airlines but lost his job as general manager of British Eagle Airlines (deceased) in 1970.

Earlier experience as a consultant to British airlines operating in America had given him the impression that transatlantic travel was ready for takeoff. Restrictions on charter flights were being avoided or evaded left right and centre, although cheap flights were supposed only to be available to clubs or affinity groups.

As the lobby to abolish charter restrictions built up, he gambled by setting up Jetset, publishing his sales material in advance of the day the law changed. And he compounded the risk by chartering £500,000 worth of Boeing 707 seats ahead of the scramble he could see coming.

In October 1972 the restrictions were lifted. Advance Booking Charter was established and the gamble paid off. In his first year his £100 company sold 38,000 seats on the London to New York run, achieving sales of £2m. This year he will carry 250,000 people across the Atlantic and his turnover will be £30m.

It was very much Mr Pycroft's own decision, too, to take Jetset into package tours four years ago, providing budget

hotel tour or fly/drive trips to the States. Around half his passengers take a package now and he sees this as the main area for growth in the future.

At present he is the single largest American package operator. But there are plenty of others—Horizon and Thomson to name two big ones now coming in. He is philosophical about that. "If you have a good idea someone is going to copy it. We may be a small operation compared with some, but we are the biggest in that particular market."

"We concentrate solely on North America and Canada—a little in the Caribbean. But we are not interested in diversification. I think this is the key to our success."

Jetset has come a long way in a remarkably short time. How has a one-man band coped with getting larger? "We now have a conventional management structure. I am no longer involved in day-to-day activities, except finance. But we are still an 'open door' company. I think it is important to remain flexible."

A couple of years ago he sold 20 per cent of Jetset to an Arab consortium. "Having the cash was nice and it gives us access to capital if we should want it," he is not attracted by the thought of going public in a blaze of entrepreneurial glory. "If we wanted to buy planes or that sort of thing the stock market couldn't provide the right sort of money. Our present investors, on the other hand, could. I want to keep Jetset as a private company."

Unlike many rivals, Jetset has no planes or hotels. Reg Pycroft believes that the arguments for vertical integration in the travel business are suspect. "Markets change so fast. We think we are better off with long-term lease arrangements. I am not interested in foreign



Reg Pycroft: benefits of specialization.

real estate. Why lumber yourself with huge assets thousands of miles away when you have neither the time nor the inclination to worry about them?" He applies the same argument to planes: "I prefer to remain flexible."

He expects a huge rise in scheduled fares over the next six months. The last few years have seen the tariff structure in glorious disarray—much to the benefit, and the confusion, of the customer. "The airlines are now finding their own cut-price fares uneconomic on the basis of overhead costs. It has got to the stage where they are not filling seats which would have been empty but are losing more money the more passengers they carry. The situation will crack soon. It will make us look even more attractive, of course."

Margaret Drummond

## Boardroom lessons from Ozalid

The report by Department of Trade inspectors Messrs Neil Butter, QC, and Brian Kemp, FCA, into the affairs of the reprographic group Ozalid was published last week. It contains some devastating criticisms of the management of the company, although they are made almost in passing, the main thrust of the criticism being directed against the curious way in which Ozalid's directors were paid and the manner in which those payments were facilitated.

In particular, it emerges from the report: "That the bulk of an experienced board never saw fit to query the establishment, for their benefit, of Swiss bank accounts or the receipt of substantial sums of money by this eccentric method."

That they were apparently quite ignorant of their obligation to disclose to the company, in writing, their aggregate emoluments, under sections 196 and 198 of the Companies Act 1948.

That very substantial sums could apparently be moved, by some directors, to quite fictitious companies, without any one else (except, eventually, the auditors) raising so much as an eyebrow.

That, under the influence of

a chairman with "a fair amount of Irish charm and a pleasant smile", who is described as a "master of filibuster", this experienced board could allow itself to be led into an expansionist policy which was "insufficiently thought out and unwisely financed", and even worse, in fact the collapse in Dutch group Oct can be traced to a bid from the Grinter.

It is significant that none of the non-executive directors who have served the company was appointed until the worms were starting to come out of the woodwork. It is also significant that the company secretary, although "more sinning against than sinning", tended to be dominated by his fellow directors: in fact the inspectors say that the need to have a vigilant and independent company secretary has been demonstrated by some of the events they investigated.

Finally, Messrs Butter and Kemp recommend that under given circumstances, Department of Trade inspectors should have powers to require production of evidence on a director's private bank account, whether held in the United Kingdom or overseas.

Adrienne Gleeson

## CHECKLIST

Port of London: Port of London Authority announced last week that India and Millwall Docks are to be closed, and cargo transferred to Royal Docks and Tilbury.

American interest rates: Prime rates from 16½ to 17½ per cent last week.

Low interest loans: under a £20m agreement with the European Investment Bank, seven-year loans will be offered to smaller manufacturing companies in the assisted areas on preferential terms.

Small business advice: the Department of Industry has started a new service offering advice to small companies. Ring Freephone 2444.

Brown (Inspector of Taxes) v Burley Football and Athletic Co Ltd: expenditure incurred by Burnley Football and Athletic Co on a new spectators' stand to replace an old and unsafe one was not incurred on "repairs" to the club's premises within the meaning of section 130 (d) of the Income and Corporation Taxes Act 1970, and accordingly was not deductible in computing the profits of the company.

## LETTERS TO THE EDITOR

## Absent incentives in Britain's hopes for microchip advance

From Mr R. A. Hammond.

Sir: The "Problem of finding cash for microelectronics ventures" (The Times, March 3) is a most pertinent issue; its resolution is the key to breaking out of the productivity rut into which we have sunk during the last 35 years.

There is a very important ingredient missing in most analyses of this problem—the lack of incentive for the entrepreneur. Close company law, personal taxation, government and private attitudes all mitigate against the entrepreneur becoming personally wealthy if he, or she, succeeds.

It is absolutely imperative that such incentive does exist because the microelectronics business, due to its very rapid rate of technological obsolescence, is as risky a business as exists.

Because companies, even well established ones, can be literally bankrupted by one technological leap, the "wage-slave" is unlikely to be able to create a company like National Semiconductor Inc out of which Robert Noyce has personally made many millions of dollars. California and Boston are littered with "microchip millionaires"; but there are many times as many failures.

Because the reward for success is so attractive in the United States, there are many ventures formed in any year and there is great competition among fund managers to participate in their financing. In

vesting in new technology enterprises for these venture capitalists has been very rewarding but is based on being able to spread their risks among many ventures. It is this success that encourages managers to make future projects and so perpetuate America's lead.

The situation need not be any different in Britain. My own firm has participated in several ventures in the United States, but only a few in the United Kingdom. We have formed a company with the special objective of backing British micro-electronics ventures but we have great difficulty in finding suitable opportunities for investment. I have no doubt that there are millions of pounds, possibly hundreds of millions, available for investment in micro-electronics ventures, if only the environment were attractive.

The tremendous success achieved in raising many millions of pounds for the development of North Sea oil, a very high risk venture, bears witness of the availability of risk capital.

At present it is particularly unattractive. It calls for a quite different attitude to the problem on the part of the government, media, and even investors in order to solve the problem.

Yours faithfully,

R. A. HAMMOND-CHAMBERS,

1 Charlotte Square,

Edinburgh EH2 4DZ,

March 5.

## ED 24: the inflation accounting debate

From Mr A. J. Merrett and Mr Allen Sykes.

Sir: Professor Kennedy and Mr Gibbs have been influential in the formulation of the two new proposals which ED 24 has added to the Sandilands recommendations. While it is natural that they should defend the proposals, their letter (February 21) shows that they are under serious misapprehensions of our views.

Consider first the real gains to lenders from borrowing under inflation. Equity profits are clearly a firm's surplus after meeting all loan servicing costs. Thus if a firm borrows £1m for one year at 10 per cent, and say all prices and costs also rise by 10 per cent, then clearly the firm pays and the borrower receives a zero real rate of interest. The firm will clearly have higher real profits than if no inflation had occurred. This year's borrowing gain is thus both real and fully reflected in this year's equity profits. Had the loan been for, say, 10 years we could discount the gain from the first year's 10 per cent inflation on lowering future borrowing costs for the other nine years. But as we pointed out this is a legitimate procedure only if all the firm's future costs and

benefits from whatever sources are also discounted and brought into account.

This, however, is not what anyone is proposing because the method is obviously impracticable—it would amount to equating annual income to changes in share values. Hence it is legitimate to take into account only each year's borrowing gains as they arise, which historic cost accounts already do. No further corrections are necessary: no borrowing gain escapes being accounted for when it arises.

The ED 24 gearing adjustment has a quite different rationale: it is the borrowed proportion of realized holding gains and can arise without any general inflation at all. As we have shown, for productive assets, in contrast to investment assets, holding gains bring no benefits so they cannot justify such an adjustment, still less the Kennedy/Gibbs' preferred adjustment of the borrowed proportion of unrealized gains.

In the 1978 column of our table, taking gearing on the ED 24 basis on current asset values at around 10 per cent and average fiscal asset lines at, say, 10 years, the Kennedy/Gibbs proposal would add perhaps £4,000 million to industrial profits. Can it seriously be

## Wrong-label

From Mr G. F. Woodbridge. Sir: As a layman who enjoys his wine, I was astonished to read Business Diary's report (February 29) to the effect that a British buyer had acquired "a high quality Medoc vineyard" at a bargain price merely by purchasing 1 acres of land in the V. planted a few years ago, vi Cabernet Sauvignon, vin brought from the Bordeaux area.

The vines may well be authentic, and one wishes Bruner a good vintage, but quite apart from the fact regulations will, or should, make it quite impossible to market it as Medoc of a quality whatever, surely a difference in soil and climate will produce a wine of entirely different character. G. F. WOODBRIDGE, Hallons Quay, Hallonsford, Worsfield, Worsfield, Salop WV15 5LW.

## Failure of PER

From C. G. Crill. Sir: My experience with Professional Executive Recruitment is similar to that of Mr W. Pringle. I registered with PER in August 1973 when I became redundant and in over six years had not so much as a suggestion of a job. On the other hand, I have been highly efficient agency for the over fifty years found no less than four short-term jobs and one long-term job in that time. I agree entirely that abandonment of the recruitment function of the PER would be helpful.

C. G. CRILL, Box Hedge, Acton Bridge, Northwich, Cheshire CW8 9QU.

## Carrington Viyella

## 'A year of severe and complex difficulties'



Extracts from the Statement by the Chairman for the year ended 31 December 1979.

Leonard Regan, Chairman

The results for 1979, as announced, are extremely disappointing. The difficulties experienced during the year were more severe in complexity than those encountered during the recession year of 1975. Quite apart from the high level of imports and the transport strike in January, the increase in VAT, with its consequent effect on public spending, together with the high interest rates imposed during the year, significantly reduced the level of retail trading in the last six months.

The continued strength of sterling has presented us with two problems. Firstly, the task of exporting is made more difficult and, whilst we have maintained the volume of exports, there was inevitably a reduction in profit margins. Secondly, imports have become more competitive at a time when UK industry has to cope with the increasing cost of manufacturing resulting from the substantial and rapid increase in the rate of inflation.

## Imports

The volume of imports of textiles and clothing increased by 13% over 1978. Whilst the quotas under the MFA bilateral agreements with the developing countries were only marginally exceeded, nevertheless, the full utilisation of these quotas produced increased volumes within those categories. In addition, the Mediterranean Associates materially increased their shipments of woven spun synthetic fabrics, blouses, dresses, shirts and suits.

The imports from the USA of man-made fibre products such as polyester yarns, nylon carpet yarns and tufted carpets, continued to escalate. All these products are more competitive due to lower oil and energy costs in the USA. The textile industry has pressed vigorously, for more than nine months, for action to be taken. It is bitterly disappointing, therefore, that in spite of pressure from HM Government, the EEC Commission authorised quota restraints on only two of the three products cited and at levels which reflect the high import levels of 1979. Slowness in taking action, as in this case, only worsens the position.

It is salutary to compare the fortunes of the textile industry in the UK with the success of our operations in Canada, South Africa and Australia, where governments are more responsive to the needs of the domestic industry; thereby creating a basis for

expansion in volume, profitability and employment.

## Reorganisation

The actions taken in respect of reorganisation are expected, in a full year, at least to neutralise trading losses of approximately £5 million sustained during 1979. The impact on our labour force has been severe, with redundancies in the UK amounting to approximately 2,000.

## Capital Expenditure

I must now turn to the cost of financing the business. The current rate of MLR at 17% imposed in November, preceded by the increase to 14% in the Budget, can only be regarded as penal to manufacturing industry. Regrettably, we found it necessary substantially to curtail capital expenditure during the last six months and, whilst the current penal interest rate exists, we must of necessity plan our capital expenditure in 1980 at a level somewhat below the 1979 figure. It is also with regret that your Board found it prudent to recommend a reduced dividend for the year.

## The Future

So what does the future hold for our Company? The textile industry will continue to change in the future and our success will be measured by our ability and skill to act quickly to deal with weaknesses as and when they occur. At the same time we shall continue to develop the successful areas of business which show

prospects for growth and which give a satisfactory return on capital—in particular Dorma, high technology knitted fabrics and garments under our leading brand names such as Van Heusen, Peter England and Louis Philippe. We have now almost completed our 4-year programme of capital investment to produce energy savings and the economies achieved have been substantial. We shall drive even harder to reduce costs and increase productivity, a task to which all employees are dedicated.

The Annual General Meeting will be held at The Cafe Royal, Regent Street, London W1 on Tuesday, 1 April 1980 at 12 noon.

Copies of the Annual Report and Accounts can be obtained upon request to the Secretary, 24 Great Pulteney Street, London W1R 3DB.

RESULTS IN BRIEF		
	1979	1978
	£'000	£'000
Sales to external customers		
Group excluding		
Consolidated Textile		
Mills Ltd.	312,792	296,009
Consolidated Textile		
Mills Ltd.	312,792	226,697
Trading profit	16,645	21,022
Profit before taxation and		
extraordinary items	8,493	14,509
Earnings per ordinary share	3.18p	5.85p
Dividends per ordinary share	1.10p	2.35p

Carrington Viyella Ltd



Dorma  
Louis Philippe  
Clydella  
Dhobi  
Allen Solly  
Evvaprest  
Van Heusen  
Kapwood  
Peter England  
Londonpride  
Aertex  
Rocola  
Quelrayn  
Viyella  
Viyella House



BY THE FINANCIAL EDITOR

## International banking under pressure

International banks are having an increasingly frustrating time. At issue is whether the long-awaited turnaround in Euromarket lending terms, so eagerly acclaimed by hard-pressed bankers before Christmas, is proving to be a mirage.

The indications emerging from a number of deals in the past two or three weeks are that the markets may still be on the side of the borrowers rather than the lenders. Countries as varied as Finland, Hungary and Ecuador have been arranging deals on terms every bit as competitive as those of late last year. If, as some bankers are beginning to fear, lending margins—effectively a bank's return over and above its own cost of funds—are not, after all, on a rising trend, the implications for international banks will be serious indeed.

The grounds for believing that spreads were beginning to recover from their wafer-thin levels were the oil price rises and the economic and financial uncertainty resulting from events in Iran and Afghanistan.

Higher oil prices, in particular, meant a sharp deterioration in the balance of payments outlook of the world's non-oil producers. They meant bigger deficits and, especially for developing countries, the potentially diminishing ability to service debt because of the expectation of a recession-inspired weakness in commodity prices.

Borrowing demand was thus set to rise and credit-willingness to fall. Steeply climbing dollar interest rates only aggravated the debt-service problem. The clear conclusion drawn by most bankers was that the squeeze on lending margins, and hence profitability, which had intensified progressively since 1976, would come to an end. As risk rose, so would the return required by lending banks.

During the early weeks of this year, all the evidence appeared to vindicate this view. For example, typical lending maturities which had crept up to 12 years or more under the pressure of fierce competition to lend, shrank back to more like eight, and there were clear signs of spreads rising. However, loan volume also fell away sharply, and trends were difficult to pin down. Now volume is picking up fast, and with it so are the doubts about whether those earlier hopeful signs were a fair reflection of an underlying change.

It is still too early to tell. Logic favours the bankers rather than the lenders, but the competitive desire to win new loan business remains strong. If spreads are going to rise, it seems likely to be a much more gentle process than happened, say, after the Herstatt Bank collapse in 1974.

If, on the other hand, the new year improvement turns out to have been only a temporary aberration, the banks will have very little to look forward to in the future. A market that can shrug off the recent political and economic events must wonder what has to happen before the tide turns in favour of the lender.

Bankers are only too aware that recession is coming, and with it, presumably, a decline in demand for commercial and industrial lending. At that point, the competition to find alternative new loan outlets in the Euromarket could be expected to intensify.

And that, of course, would renew the squeeze on lending margins. Whatever happens, the pressure on profits from Euromarket lending will continue for the next year or so as the high yielding loans of the mid-1970s gradually work through banks' portfolios.

### Television rentals

### The lure of video

The financial implications of video cassettes and allied products such as videodisks, home computers and film record libraries have hardly been given an airing in the City. Yet the outlook for television rental companies could be dramatically transformed. For Thorn, the much criticized acquisition of EMI could yet prove a far shrewder move than anyone expected and could restore the company to its former growth path.

The battle for an accepted international standard for the various products is already fiercely on in the United States. The two major products, both very suitable for the traditional rental business, are the video-cassette which allows the consumer to record programmes and purchase pre-

recorded films, and the videodisk which is used much as the present gramophone record.

As the battle heats up, control of existing film libraries is crucial and this must be a clue to one of the reasons behind the Thorn bid for EMI.

Unlike other rental companies, Thorn is saddled with an enormous television manufacturing capacity. If it wishes to remain technologically independent it had little option but to move into the video business. And on this score EMI could prove extremely useful. It not only already has the capacity to make records and equipment compatible with the JVC system which looks to have the market edge for the moment, it also has a huge film library consisting of its own films and sole distribution rights for major foreign films.

For Thorn this sort of vertical integration is not a bad start. Not surprisingly Thorn, which has been placing some 25 per cent of its new rental business in video cassettes, systems, has used exclusively JVC materials. Stockbrokers Buckmaster and Moore for example estimate that Thorn's growth of income from rentals could be around 20 per cent a year by the middle of the decade, double what it would have been without video systems. And this takes no account for benefits from selling films and making the sets.

Thorn's shares are on a prospective price ratio of around 9 compared to Granada's 12 and the less representative 20 for Electronic Rentals which is a pure rental business. Should it be able to divest itself of EMI's medical interests and push forward in the video field, Thorn shares on a medium view could turn out cheap because of the long lean times other companies face.

### Investment trusts

### Twenty years on

The debate over the future of the investment trust continues, though increasingly it looks as though the long-standing argument of conservatives within the sector—that net asset value performance has on the whole been good and that shareholders should not bother their heads over anything as vulgar as the share price—are being overtaken by the radicals from within and without.

From within there are, on the one hand, the radical conservatives, like Wory & Sims or the Foreign & Colonial group, who have relied on greater specialization and greater disclosure to persuade investors that it is worthwhile buying their shares rather than doing the job themselves; and on the other, the iconoclasts like Rothschild Investment Trust, whose managers have, in the past, moved in mysterious ways their wondrous to perform—and who if rumours are true, plan still more radical departures in the trust structure in the immediate future.

From the outside, the radicals now take in stockbrokers Wood Mackenzie, who have finally succumbed to the conviction that the discount on investment trust shares will not go away on any permutation of existing circumstances, and that something else would have to be done.

Their solution, as set forward in their latest annual review of the industry, is changes in legislation permitting companies to buy their own shares. They argue that the mere fact that the trusts could buy their own shares, thereby reducing the overcapacity which has plagued the industry since the last great expansion in the early 1970s, would tend to bring the discount down, and that an orderly programme of redemptions at a small discount to net asset value would bring it down still further. These are, however, counsels of despair. They recognize that nothing will so much become a trust in the market as the manner of its leaving it. Besides, they are open to abuse: The fly boys are likely to indulge in some "round tripping"—take their money on one set of shares and re-invest it in another for future redemption at a smaller discount.

As the brokers themselves point out, those trusts with a good performance to their credit command a relatively high rating already; and such trusts are very often specialists—in United Kingdom small companies, in Japanese stocks and in the oil sector. The answer for investment trust managers surely lies in developments like these—in tailoring their investment expertise to the market as it is, rather than trying to pretend that the market is as it was 20 years ago, or giving up the game altogether.

The recent debate on inflation accounting has been characterized by a failure to define clearly and discuss the assumptions which are being made. This is not a mere pedantic objection. The concept of profit is much more complex than is popularly supposed, and if it is accepted that the world is characterized by uncertainties and market imperfections which make valuation a process of estimation, it is impossible to define a single measure of "true" profit.

Thus, there is a variety of measures of profit, each of which might be relevant in certain circumstances. This is one reason for the length and apparent lack of resolution of the debate on inflation accounting.

The recent article by Mr A. J. Merrett and Mr Allen Sykes (*The Times*, February 11) epitomizes this problem. Two of their assertions are particularly controversial. First, that "firms cannot benefit from a rise in the replacement cost of the tools of their trade any more than as individuals we can benefit from a rise in the replacement cost of our clothes or other consumer durables". Second, that the gain from the falling real burden of indebtedness is already reflected as it arises year by year in conventional accounts.

Consider a common example of a consumer durable financed by a loan—a house financed by a mortgage. (This example of an asset which does not depreciate is chosen for simplicity, but the subsequent argument could easily be extended to cover depreciating assets, like clothing.) Assume that the house costs £20,000, of which £10,000 is borrowed and £10,000 paid by the owner. After one year, assume that the value of the house has risen by 20 per cent, but that general inflation has been only 10 per cent. For simplicity, assume that no loan repayments are made and that the value which the owner-occupier sets on his use of the house exactly equals the mortgage interest plus maintenance costs, ie, the operating profit is nil.

The householders draw up conventional "historic cost" accounts for his house, as if it were a business, the balance sheet at both the beginning and the end of the year will show the house at cost (£20,000) and the loan and his equity at the amounts originally subscribed (£10,000 each). The profit reported on this basis would be nil, which is the same as the operating profit.

The CCA (current cost accounting) alternative preferred by Merrett and Sykes would give a different picture. The closing balance sheet would show the house at its current value (£24,000) and the loan would still be only £10,000, so that the owner's equity has risen to £14,000. The Profit and Loss Account would report an operating profit of nil (as before), but a separate Statement of Gains would show the "holding gain" on the house of £4,000. This would be transferred to a capital maintenance reserve, which is part of the equity interest in the balance sheet, and would not appear as profit.

This treatment of the gain in the value of the house as a capital reserve rather than a profit is a manifestation of Merrett and Sykes' contention that firms cannot benefit from rises in the cost of the tools of their trade, and individuals cannot benefit from rises in the cost of consumer durables. This is the "entity" concept of capital maintenance and is the most important of Merrett and Sykes' implicit assumptions. I surely require justification, as it implies that all appreciation of assets held by the business ("holding gains") is regarded as not giving rise to a profit, yet any depreciation of the same assets would be deducted from profit at full replacement cost.

There had been an enormous sales drive in 1973. A combination of massive television promotions and the emergence of star tracks like Polygram's record-breaking double albums for Saturday Night Fever and Grease, each of which notched up 20 million sales worldwide, helped to push sales up. There is a growing feeling in the industry that what is happening now is a settling down of the market to a more realistic level.

What is notably absent from the scene is any sign of a recovery in the 1,000 million discs class of the universal-appealing Beatles. Their eighties equivalent is a phenomenon the recording industry can only hope for.

Not surprisingly in a confused and confused industry there are widely differing views about prospects for the recorded music market. There are those, for instance, who see a growing number of on-the-hole youngsters—part of

## Inflation accounting: why the debate has gone off course

Recent criticisms of Exposure Draft (ED) 24 are examined by Geoffrey Whittington

costs, ie, the operating profit is nil.

A possible justification might seem to be the need to provide compensation for inflation, but this would be better provided by a general purchasing power adjustment, since inflation is to do with changes in general purchasing power. In terms of our example the householders would only £10,000 (1/10 of £10,000) to protect his equity against inflation, and there is additional £3,000 gain in the value of his house.

Merrett and Sykes would, no doubt, object that the specific assets of the business are the real capital which must be maintained. However, if those assets are rising in value at a rate faster than that of inflation, there must surely be some gain in real value which benefits the equity, unless we assume that the yield on assets is declining. But a declining yield would bring into question the wisdom of replacement, and with it the necessity for charging replacement cost depreciation.

We can also question the curious distinction which Merrett and Sykes make between investment assets, gains on which can be treated as profit, and productive assets, whose "rise in value per se produces no benefits in cash or kind".

If this were the case, we should be despondent about the prospects of industry: we should be well advised to hold "investment assets" and eschew "productive assets". But surely the prospects are not as gloomy as this: if prices are rising, we save money by buying now rather than later, and "holding gains" on "productive assets" reflect this very real benefit. Productive assets represent a store of real services held for future use.

So much for the benefits derivable from "rises in the replacement cost of tools of the trade". What of the gain from borrowing? CCA, like the alter-

native methods, shows the loan at its face value in the closing balance sheet. The gain from borrowing a fixed monetary amount in a period of inflation is not shown separately but serves to swell the reported holding gain on the asset and is transferred, as part of this gain, to the capital maintenance reserve. Thus, CCA is inconsistent because interest is charged against the profit but the gain on borrowing is not added to profit, although this gain is one of the benefits for which interest is paid. It is well known that, in times of inflation, interest payments are partly a repayment of the real burden of the loan.

A method of accounting which deals with these problems is "real terms" accounting, which formed the basis of the initial professional response to the Sandilands report. This adopts the CCA method of asset valuation but combines it with the general purchasing power concept of capital maintenance, illustrated earlier. Applying the method to our example would give a total profit figure of £3,000, comprising operating profit nil, (as before), real holding gain on the house £2,000 and a gain on borrowing of £1,000. The real holding gain on the house is the difference between its rise in value in the year (£4,000) and the amount necessary to maintain its value relative to inflation (£2,000).

The gain on borrowing represents the difference between the amount necessary to maintain the original real value of the loan (£11,000) and its current monetary amount (£10,000); in other words, it is the rate of inflation times the money value of the loan. The total profit, £3,000 is the gain in value of the house, less the amount necessary to compensate the proprietor for inflation, as calculated earlier. Thus

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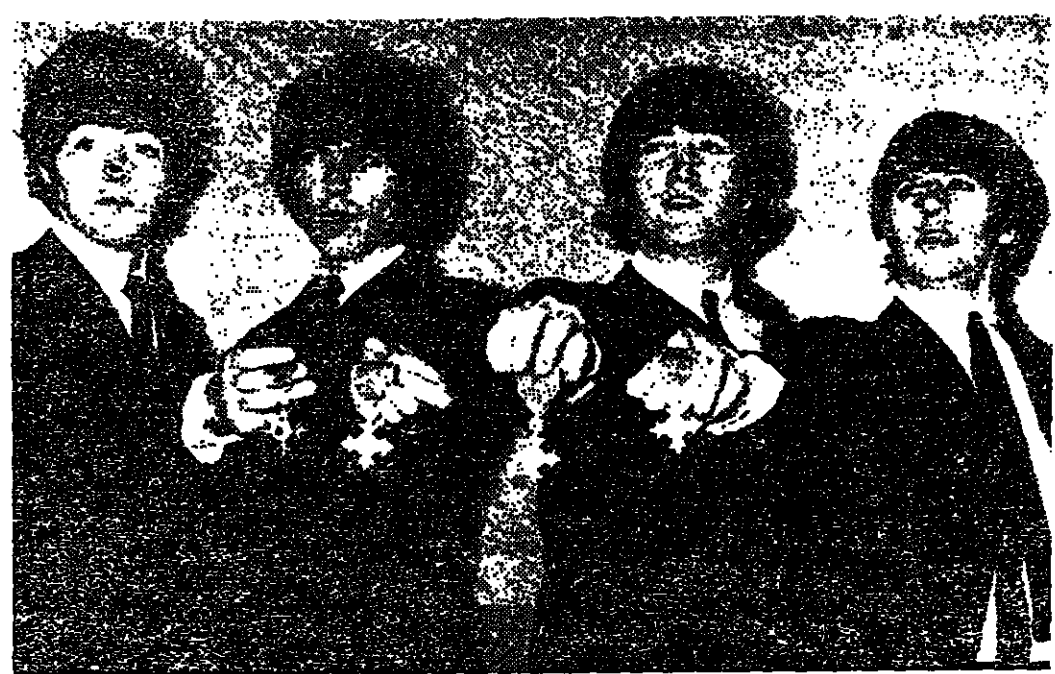
"real terms" accounts allow for real capital maintenance and separate any gains into those obtained by successful investment (the holding gain) and those obtained by successful financing (the gain on borrowing).

It is to be hoped that inflation accounting practice will evolve towards a "real terms" solution. Either CCA or CPP (current purchasing power) would have done this, each offering part of the total system. ED 24 (the most recent modifications of the Sandilands inflation accounting recommendations) attempts more. It offers a CCA system, of which Merrett and Sykes approve, and a crude form of general price level adjustment, of which they do not approve. If their disapproval had been based on the ultra-conservative form of general adjustment proposed by ED 24, they would have had the support of the original proponents of the gearing adjustment. If they had argued that any gearing adjustment is inferior to general price level adjustment in reporting the effects of inflation, they would have the support of the present writer, who does indeed support their critique of the monetary working capital adjustment.

However, their central thesis appears to be that there is no problem of inflation which is not adequately dealt with in CCA, so that no form of general price level adjustment is necessary. This is an ill-founded view, which is unlikely to advance the progress of inflation accounting practice: indeed, its total rejection of any form of general price level adjustment suggests that inflation in the generally accepted sense either does not exist or is irrelevant to accounting.

The author is Professor of Accounting and Finance, Bristol University. He is at present Social Science Research Council research fellow in inflation accounting, visiting the Department of Applied Economics and Fitzwilliam College, Cambridge.

## Music industry's changing rhythm



The Beatles in their heyday: no eighties equivalent in sight.

the single biggest group of record and tape sales, may well have bottomed out.

This is a far from universal view, as the industry loses an estimated £150m a year in lost sales because of home copying.

The industry has been campaigning since 1977 for a scheme of royalty payment to recoup the losses and the Department of Trade is still considering an investigating committee's recommendation that a levy should go on to sales of tape recording equipment.

The industry wants a faster-acting remedy and is lobbying for royalties to be paid on sales of blank tapes. There are an estimated 50 million blank cassettes being sold annually compared with just over 23 million prerecorded cassettes and one suggestion is that 12 million people are regularly taping copyright material at home.

If the sales squeeze turned out to be severe this year, the question is whether there will be a further shakeout of a Decca or EMI scale. This seems unlikely because the sort of management problems to which Decca and EMI had been heir are essentially not duplicated elsewhere: pulling out of the market by what are mostly record company subsidiaries would more likely depend on one of the various strong parent organizations involved deciding that tapes and records were heading for a real historical decline.

The old EMI's music side was also strong compared with some of its other activities and under Thorn, as EMI Music, still has the largest slice of the United Kingdom market at around 20 per cent. Its main competitors are CBS and WEA, both United States-based, are close behind in market share with Polygram's Phonogram and Polydor operations on their heels—are speculating whether, under Thorn EMI Music's activities may be tightened up, leaving a little more market share for others.

The key for EMI Music is likely to be how far it can exploit its United States interests to bring in from there more new acts.

Sir Richard X. Thorn's chairman, has already denied rumours that he was looking for a buyer for EMI's music and entertainment divisions.

There are other factors which might set the adrenalin running again in this volatile industry. Digital recording, in which audio signals are stored as numbers in a computer memory, is one of several new technologies which are in the experimental phase.

Derek Harris

## Business Diary profile: The chemistry of 'Tiny' Rowland

Controversy, Loro and Rowland "Tiny" Rowland and a tendency to go hand in hand, a proposition which is likely to receive further proof at the company's annual meeting next Friday.

The man himself, however, has maintained his characteristic individual stance in the face of the approaching storm clouds, racing back from Africa, round Europe and on to Britain, while dictating the course of the international trading conglomerate from a telephone in his company's Gulfstream jet.

"I have an instinct, a deep animal instinct, for the chemistry of people," he once said. Part of that animal instinct is an iron will to succeed which is largely responsible for Loro's remarkable achievements. Another ingredient is Rowland's insistence as chief executive on a dominant role in running the company, an autocracy which goes a long way to explaining why many institutional investors have shunned his stock for some years.

Those who have done business with him view the charismatic, elegantly-dressed figure as a shrewd negotiator, capable of holding his own in the most complex of deals. That is just as well; most of the deals he has put together are highly complex. Those who have lost against him say that behind the charm is a determined single-mindedness which never wavers.

Both sides agree he is a man who gets what he wants, a super-salesman with a tongue more persuasive than



"An animal instinct for the chemistry of people" at work on Edward Heath, Sir Basil Smallpiece (left) and Daniel K. Ludwig.

that of any doorstep brush seller. Whether he thinks about anything else but Loro is a point of constant speculation.

Any questions on his personal life—inquiries from the press are more often dealt with in a close aide—are met with a bland, "That is my personal affair. I don't ask other people about their personal life and I don't expect to be asked about mine".

In fact Rowland has made no secret that he would like to make his own personal affairs with Loro, in which he has a 27m personal stake, a private concern, out of the public eye and free himself of the responsibilities which govern a public company.

In the City, his personal friendship and recent hotel deal with Daniel K. Ludwig, reputedly the world's richest man,

are seen as the prelude to financing the operation.

The £86,000-a-year Loro chief executive built his stake and the company from the former Loro's and Rhodesian Mining and Finance company which he was invited to join in 1961. Since then he has emerged from two clashes with the Government, a major boardroom row which attempted to dismiss him, and a Department of Trade inquiry during which Prime Minister, was stirred to call certain aspects of Loro the "unacceptable face of capitalism".

Stories that "Tiny" started as a porter on Paddington Station and in his youth, carefully positioned himself near the more lucrative first class compartments are untrue. He was born in India of a German father and English mother. One story; he is happy to relate is that he was educated in England and on the Continent before joining his uncle's shipping business in London. He later branched out on his own, manufacturing refrigerators and electrical goods, before selling out and emigrating to Rhodesia in 1948.

Loro suffered a liquidity crisis in the early 1970s and major investors brought Sir Basil Smallpiece and other outsiders on to the board. One of the biggest boardroom rows in the City then erupted with allegations that the Loro directors were living virtually rent-free in homes bought by the company.

The report of the Department of Trade inquiry said that in 1967, 1968 and 1969 Loro

did not discharge with care its duties in relation to British sanctions in Rhodesia. But by the time the report appeared, Rowland had already confirmed his position as the top man at Loro by putting it to the vote at an extraordinary shareholders meeting. His small shareholders supported him against the Smallpiece faction.

Since then, among a myriad of deals, he has bought nearly 30 per cent of the House of Fraser, the Harrods Stores group headed by Sir Hugh Fraser.

And, behind the scenes, businessman Mr Graham Ferguson Lacey has let it be known that he is trying to buy Gulf Fisheries' stake and is thought to be negotiating for something much bigger—some believe a full bid for Loro.

That could be a battle Royale. The City keeps both eyes at arm's length and would view such a titanic clash of personalities with bemused detachment.

Philip Robinson

## Scottish United Investors

Dividend increased by 43%

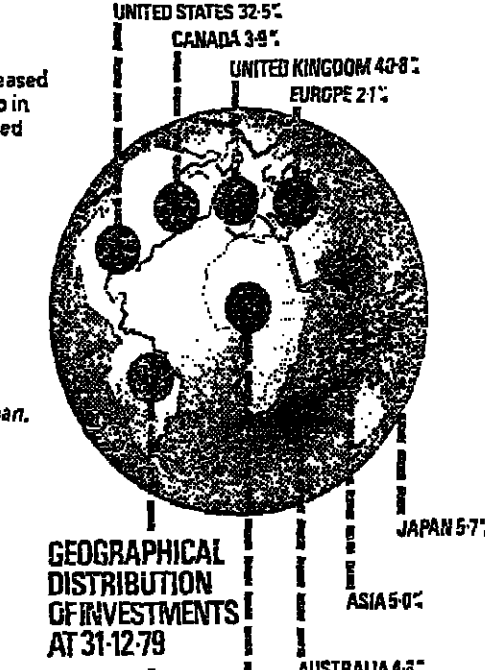
Revenue earned for ordinary shareholders increased significantly from 1.55p per share in 1978 to 2.23p in 1979. Total distribution of 2.15p per share proposed for 1979, an increase of 43 per cent.

59 per cent of portfolio overseas, but many companies classified as UK have substantial or, in some cases, their principal activities overseas, and an appreciable weight of investment within the UK is likely to remain appropriate. However, assisted by the abolition of exchange controls and the strength of sterling, the Board is pursuing a policy of progressively increased investment in overseas markets.

Robert C. Smith, Chairman.

Summary of the Year	1979	1978
Total assets	£100,097,997	£104,151,735
Net assets	87,249,714	86,666,863
Net asset value	79p	78p
Gross revenue	5,602,850	4,499,580
Net revenue	2,476,203	1,718,392
Dividend	2.15p	1.5p

Copies of the Accounts available from: SCOTTISH UNITED INVESTORS LIMITED, 37 RENFIELD STREET, GLASGOW G2 1JU.



EQUITIES 95.6% FIXED INTEREST 4.4%



## FINANCIAL NEWS

## Carrington Viyella faces spending cut

By Richard Allen

Carrington Viyella, which reported a 42 per cent profit fall to £8.5m pre-tax for last year, would have sustained a loss of £7.6m before taxation if accounts had been compiled on a current cost basis.

A current cost profit and loss account compiled in accordance with the proposed Statement of Standard Accounting Practice (SSAP) contained in the annual report shows that Carrington Viyella's pre-tax profit of £16.5m would have been more than wiped out by current cost adjustments of £21m.

These adjustments, mainly cost of sales of £10.2m and additional depreciation of £8.3m, would leave a current cost trading loss of £4.7m which would rise to an attributable loss of £11.6m.

As a result the dividend which Carrington Viyella paid of 55 per cent and which is more than twice covered on historical earnings would have taken the overall current cost loss to over £14m.

In his annual report, Mr Leonard Regan the chairman refers to his bitter disappointment over the level of quota restraints on textile imports announced by the EEC Commission last month. The industry has already declared that these will provide only minimal protection for the home industry from United States exports of man-made fibres.

Mr Regan says: "It is salutary to compare the fortunes of the textile industry in the United Kingdom with the success of our operations in Canada, South Africa and

Australia, where governments are more responsive to the needs of domestic industry."

The chairman adds that the major rationalization and re-organization moves of last year are expected to at least neutralize trading losses of £5m incurred in 1979.

He warns that the group will have to curtail capital expenditure this year to a figure "somewhat below" the £11.6m of 1979.

Mr Regan says that in the face of growing competition Carrington Viyella will continue to develop the successful areas of the business which show prospects for growth, in particular Dorma high technology knitted fabrics and garments under the Van Heusen, Peter England and Louis Philippe brand names.

## C. &amp; J. Clark sales up but profits drop

C. & J. Clark, the privately owned shoe group, saw profits drop 8.5 per cent to £17.7m last year. This was despite a 16 per cent sales increase to £288.8m. As well as manufacturing, the Somerset-based group's interests include the Ravel Shoe chain and Hanover Shoe Incorporated, of the United States.

## GRANADA GROUP

The high rate of inflation and the rising level of unemployment must have an impact on our business, warns Mr Alex Bernstein, chairman, in his annual report. However, Granada is firmly based in the businesses of entertainment, leisure, services and communications, all of which are well placed even in times of adversity and have excellent prospects when the economy improves.

## Rising gold price works magic for Amgold

Soaring gold prices have worked their magic on Anglo American Gold Investment, the holding company 48.7 per cent controlled by Mr Harry Oppenheimer's Anglo American Corporation. Pre-tax profits for the year to the end of February were £131m (£27.8m) compared with £71.9m in the previous 14-month period.

Earnings per share were 583 cents against 318, and the company has declared a final dividend of 350 cents, making 525 cents for the whole year. Tax was nil.

Amgold declared net assets of £221m, up £12m. The company, one of several investment vehicles in the Anglo empire, has stakes in 33 mines, mining companies, and other bodies.

The market value of these investments is £223.1m. The three most valuable holdings are: Driefontein (11.1 per cent), Vaal Reef (1.6 per cent), and West Driefontein (14.2 per cent).

Cadbury Schweppes A 7.3 per cent rise in profits after tax is reported by Cadbury Schweppes Australia for the year ended December 29, 1979. They reached £A6.28m compared with £A5.8m in the previous year.

Sales were up from £A185m to £A195m, a rise of 4.3 per cent.

Sir Rupert Clarke, the Chairman, points out that the profit figure does not include the benefit of the trading stock valuation adjustment previously available to Australian companies, but eliminated during the past year. To reflect this change, and in accordance with stock exchange requirements, it has been necessary notationally

to increase the previous year's income tax by \$A557,800.

Chrysler losses Chrysler corporation chairman Mr Lee Iacocca says that 1980 first quarter losses could exceed the \$375.8m in losses which it had in last year's fourth quarter.

But Mr Iacocca also said that Chrysler hopes to keep its total 1980 losses to about \$500m despite predictions by its outside consulting firm that the losses could hit \$650m.

The Chrysler official stated that the car industry is currently going through a "difficult, difficult period." He said the car market is so bad at present that he expects Chrysler to draw down this year some of its \$1.5bn in federally guaranteed loans.

Macmillan Bloedel Vancouver-based Macmillan Bloedel's president Mr Calvert Knudsen said capital expenditures are expected to average over \$300m (about £135m) in 1980 and in each of the three following years, up from \$280m last year.

In a letter to shareholders he said the company plans to spend \$90m on a designed forest system in British Columbia in the next five years which will use new techniques of intensive forest management. The letter said the company requires at least 14 per cent return on investment, and many of its undertakings already exceed that.

## International

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## Results season comes into full swing

Attention will be firmly focused on BP this week in the hope that last year was as profitable for it as it was for Shell, which last week reported net income of over £3,000m.

The results season will be in full swing elsewhere with Midland Bank continuing the clearing banks season unveiling full year profits. Others to be published include De Beers Consolidated Mines and Cadbury Schweppes.

The latest increases in world interest rates will prompt special attention to the economic indicators published this week. On Monday the Department of Industry releases the wholesale price index for February and the Department of Trade issues retail sales figures for January.

Tuesday will be of particular significance to the money market with the Treasury reporting on the central government borrowing requirements followed by the London clearing banks' monthly statement from the CLCB and the UK banks' eligible liabilities and special deposits for February from the Bank of England.

Finally on Friday the Central Statistical Office releases the index of industrial production for January and the Department of Employment publishes the retail price index.

De Beers' full-year figures on Monday are expected to show little improvement over last year, which saw pre-tax profits of £1,150m. Earnings a share should work out at 220 cents and a 10 per cent increase is expected in the total dividend, making 75 cents.

Higher prices are thought to have offset some of the problems encountered by the drop in diamond sales last year, but the extent cannot be fully estimated. Capital expenditure has also peaked but the benefit of this will not be seen until later on this year.

Although volume dropped last year it is expected to pick up again during the current year. However, the high cost of gold may well result in a further downturn later in the year.

Cadbury Schweppes' figures on Thursday are expected to show the benefits of recent rationalization with estimates of between £54m and £56m compared with £48m last time.

An increase in the total dividend from 5.1 to 5.6p is also envisaged.

Rationalization should have seen the group claw back the

ground it lost earlier in the highly competitive confectionery market with the added benefit of its latest acquisition in the lucrative United States market. The drinks side continues to fare well with further increases in volume, although the outlook for the current year remains clouded.

Observers believe that with the latest cut in consumer spending the group will be doing well in the current year to maintain profits at last year's level. The highlight of the week

The latest cut in production by most big producers, which has forced BP into the spot markets, has meant problems in forecasting for the current year. As a result forecasts for the current year will remain thin on the ground until the effects of the reductions can be more fully assessed.

Friday sees the results of the Midland Bank and there is much controversy in the City on how these turn out. Analysts' estimates range widely from £230m at the lower end to as much as £340m.

Taking the most widely accepted estimate of around £310m, profits would be up by 34.2 per cent, something rather modest by comparison with the 49 per cent achieved by Lloyds and the 44 per cent increase made by Natwest. One reason for the confusion is Midland's sale of insurance brokers Bland Payne at the end of 1978. Midland could also announce something about the sale of its Thomas Cook travellers' cheque interests.

Other companies of interest this week to report include the livestock and vegetable oils group J. Bibby. Markets men expect profits on Tuesday to advance from £8.4m to £9.25m, aided by a strong performance by its agricultural side. The big attraction will be the dividend, which is expected to rise from 5.4p gross to 10p on the increased shares capital.

On Wednesday full year figures from Turner & Newall will show the effect of a stronger pound which should see profits slide from £39m to around £34m. As a result a

maintained dividend of 16.7p gross is expected. The problems at ESB probably have accelerated a year with most people expecting profits to collapse to £14.7m to around £3m to £5m. The sound reproduction system has been badly damaged by the strength of sterling while consumer products side have been hit by the engine ing strike during its periods of September & October.

Finally analysts in the sector will be anxious to the trading statement of F. W. Woolworth, which gives some idea of how much lower consumer spending is over the Christmas period. A slight increase in profits is projected with most going for around £55m to £5 against £52.5m.

TODAY—Interims: J. & J. and Son, Mangrove Bros, Murray Glenview Invest, Parker Knoll, and Jos. Stocks and Sons. Finals: Neil Dresses, Merchants, Neil and Spencer and R. Royce Motors.

TOMORROW—Interims: Ductile Steels. Finals: Murray Glenview Invest, C. Consolidated Mines, De Beers Industrial, S. W. Farmer, Jo son Bros Cleaners, Pen Rea Bros, Rosemond Inv, T. and Sedgwick Forbes Bt Payne.

WEDNESDAY—Interims: Maynards and Utd. Chants. Finals: BSR, Lam, Howarth, Monfort (Kalu Mills), Thomas Robinson, Son, Sandvik (A.B.), T. Guts and National Milling, 1 ner and Newall, E. Wood and Son and F. W. Woolworth.

THURSDAY—Interims: (onation Syndicate, Harro Gold Mining, HTV Group, Tweenfountain Utd. Collier. Finals: Anglo American Industrial, Anglo American Investment, British Petroleum, Cadbury Schweppes, T. Cla and Co., Harris and Shel Nu-Swift Inds., Refuge As mce, Sale, Tilney, Trans Development Grp., Ultramar Utd. Biscuits.

FRIDAY—Interims: B ken Mines, Great North Telegraph, Kinross Mines, Lie Gold Mines, St. Helena C Mines and Winkellhaak Mh. Finals: BL, Candor, Midland Bank and Noble Lund.

Michael Cla

## Anglo American Gold Investment Company Limited

(Incorporated in the Republic of South Africa)

## Preliminary Profit Announcement and Balance Sheet and Notice of Final Dividend on the Ordinary Shares

Subject to final audit, the abridged consolidated income statement of Anglo American Gold Investment Company Limited and its subsidiary companies for the year ended February 29 1980 and the abridged consolidated balance sheet at that date, are as follows. The investment income for the year is comparable with that for the previous fourteen month period with the exception of a third dividend of R1 244 000 received during that period from Gold Fields of South Africa Limited.

## CONSOLIDATED INCOME STATEMENT

	Twelve months ended	Fourteen months ended
	1979/80	1978/79
Investment income	133 885	74 374
Interest earned	1 292	602
Surplus on realisation of investments	51	1 540
Underwriting commission	—	233
	135 228	76 749
Deduct:		
Administration and other expenses	1 803	1 419
Interest paid	707	1 741
Prospecting and mineral rights expenses	2 152	1 898
Provision no longer required against loans and investments	—	(215)
	4 662	4 843
Group profit before taxation	130 566	71 906
South African normal taxation	—	425
Profit after taxation	130 566	71 481
Preference dividends	2 635	1 737
Equity earnings	127 941	69 744
Deduct:		
Dividends		
No. 63—(interim) of 175 cents per share	38 416	21 932
No. 64—(final) of 350 cents per share	76 832	32 928
	115 248	54 860
Transfer to general reserve	12 748	68 880
	693	864
Unappropriated profit from previous year	5 046	4 079
Adjustment thereto arising from changes in exchange rates	46	103
	5 092	4 182
Unappropriated profit, February 29, 1980	5 785	5 046

\*Includes listed investments at market value and unlisted investments at directors' valuation.

## CONSOLIDATED BALANCE SHEET

	29.2.80	28.2.79
	R000's	R000's
Issued share capital	21 952	21 832
Ordinary shares	2 500	2 500
Preference shares	52 130	52 130
Non-distributable reserves	76 582	76 582
Distributable reserves		
General reserve	139 000	127 000
Unappropriated profit	5 785	5 046
	144 785	132 046
	221 367	208 628
Represented by:		
Listed investments—market value		
R2 230 666 000	207 157	206 580
(1979: R1 095 077 000)		
Unlisted investments—directors' valuation		
R14 571 000	607	340
(1979: R7 518 000)	3 832	4 351
Loans	211 596	211 271
Current assets		
Debtors	23 240	12 358
Cash on fixed deposit and at call	69 501	24 476
	92 741	36 834
Current liabilities		
Shareholders for dividend	76 832	32 928
No. 64	5 032	5 476
Short term loan	1 106	1 073
Creditors	82 970	39 477
Net current assets (liabilities)	9 771	(2 643)
	221 367	208 628
Equity earnings per share—cents	582.8	317.7
Dividends per ordinary share—cents	525	250
Net asset value—cents per share*	10 177	4 917

## FINAL DIVIDEND

Marshall Street, Johannesburg 2001, and Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

Holders of share warrants to bearer are notified that the dividend is payable on or after May 2 1980 upon presentation of coupon No. 64 (marked 'South Africa') only at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg 2001. South Africa—Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland—Credit du Nord, 6 and 8 Boulevard Haussmann, Paris 9e, France and Banque Bruxelles Lambert, 2 Rue De La Regence, 1000 Brussels, Belgium. Coupons must be left at least four clear days for examination.

Note: Proceeds of dividends in respect of coupons marked 'South Africa' may, at the request of the depositors, be converted through an authorized dealer in exchange in the Republic of South Africa, into any currency. The effective rate of exchange for conversion into any such currency of the dividends are deposited with the authorized dealer in exchange.

## GENERAL

It is anticipated that the forty-third annual report of company in respect of the year ended February 29 1980 will be despatched to members on or about April 24 1980.

Head office:  
44 Main Street  
Johannesburg  
2001

March 10 1980

By order of the board  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
Secretaries  
per H. J. E. Stanley  
Company Secretary  
London Office:  
40 Holborn Viaduct  
EC1P 1AJ

# SECURICOR

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—MR PETER SMITH  
IN HIS STATEMENT  
AS CHAIRMAN OF  
SECURICOR GROUP LTD.  
AND SECURITY SERVICES LTD.

## The John Lewis Partnership

department stores and Waitrose supermarkets

**Estimated results for year ended 26th January 1980**

Sales rose by 21% to £646 million. Department store sales increased by 19% to £371 million and sales in Waitrose supermarkets by 25% to £263 million.

Profit after interest was £41 million, slightly higher than last year's record figure; the increase over two years was £12 million (41%).

Profit Sharing. All the equity capital of John Lewis Partnership Limited is held in trust for the benefit of the workers in the business. The profits remaining after taxation, preference dividends, pensions and allocations to reserves are distributed yearly among the workers as Partnership Bonus in proportion to their pay. This year's rate of distribution will be 20% (1979 24%).

John Lewis Partnership Limited consolidated results	1979/80	1978/79	1977/78
	£ million	£ million	£ million
Sales (including VAT)	646.2	532.7	436.8
Profit after interest	41.0	40.0	29.1
Profit after tax, pensions funds contributions and preference dividends	36.1	31.8	21.1
Partnership Bonus	14.6	13.8	8.8
Reserves	21.5	18.0	12.3

For further details please telephone 01-637 3434 Ext 6221 or write to Chief Information Officer, 4 Old Cavendish Street, London W1A 1EX.







## FINANCIAL NEWS

## Dry cargo market hit by slower activity

A slowing of activity in the dry cargo sector and a little more life displayed in tanker charters about sums up the performance of the freight markets over the last seven days. The difference in fortunes between the two markets remains wide with the former retaining its strength and the latter struggling yet again to climb from the depths of depression.

However, while evidence of the firm time in dry cargo trading was still visible, the pace of business slowed. As ever, demand for North American grain was the driving force. Through the week several vessels were booked for both eastern and western destinations and rates remained steady.

For vessels over 40,000 tons the common rate worldwide was \$24 while \$26.75 was reported paid for a 30,000 tonner. On the transatlantic front, a vessel of 72,000 tons taken for a trip from the US Gulf to Holland secured \$15 for prompt loading while for later in March charters were quoted \$14.50 for similar sized tonnage on the same routes.

An unconfirmed report suggested that a \$5,000 tonner which had been booked for a trip to the UK obtained \$17 which is about one dollar above the highest level paid in recent weeks.

For once, there were few reports of any Soviet activity during the week. In connection

## Freight

with grain and Russia, however, was the announcement from the United States department of agriculture that it would continue to make purchases of grain, up to the equivalent volume cancelled under sales ban. This grain would be used in overseas aid programmes and also to form a major part of a possible food reserve being proposed by the USDA.

Since early January some 3.3 million tonnes of grain has been bought for the reserve. China's fixing activity was on a lower pitch but included in the tonnage they raised was a 30,000 tonner for grain from the United States at northern rates at \$38, and vessels at \$6,700 and \$9,600 a day respectively. In the period markets the miners' import-export organization of Rumania dominated the early part of the week by taking six vessels between 18,000 and 57,000 tons at rates from \$7,100 to \$19,500 a day.

After several weeks of rumours that some tankers would be returned to lay-up, the current depression now seems to have bitten deep enough to make it a fact. London's brokers were indicating that around four vessels had been laid up in the Gulf pending improvements in rates.

The pressure for such a move is the least. With some 13 vessels waiting for cargoes in the Gulf, it is going to take a substantial rise in demand to absorb this capacity and give rates some chance of rising. Judging by fixtures in the last few days, the average rate for a vice on stands at worldwide \$13 on full steaming and worldwide \$29 on slow steaming.

David Robinson

## More share prices

The following will be added to the London and Regional Share Price List tomorrow and will be published daily in Business News.

Commercial &amp; Industrial

Coston (Deferred Shares).

## Bank Base Rates

Bank	Rate
ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Crdis	17%
C. Hoare & Co	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
Royal Bank	17%
TSB	17%
Williams and Glyn's	17%

\*The deposit on time of £10,000 and under 12% over £25,000 15%.

## M. J. H. Nightingale &amp; Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

The Over-the-Counter Market

Company	Price	Change	Yield	P/E
4,105 Airsprung Group	71	+1.67	9.4	+4.2
300 Armitage & Rhodes	36	-3.8	10.6	+1.4
7,340 Ardon Hill	237	+2.13	5.8	+6.9
835 County Cars Pref	13	-1.8	18.0	-
6,351 Deborah Ord	92	-5.0	5.4	+1.1
3,749 Frank Horsell	100	+1.79	7.9	+6.2
15,458 Frederick Parker	107	-1.28	12.0	+4.9
2,326 George Blair	105	-1.65	15.7	-
1,550 Jackson Group	66	-5.2	9.9	+3.9
16,010 James Burroughs	116	-7.2	6.2	+10.2
2,601 Robert Jenkins	255	-3.13	12.3	+8.1
3,338 Torday Limited	217	-14.3	6.6	+5.6
4,167 Twinlock Ord	193	-0.8	4.3	+3.7
2,075 Twinkl 12, ULS	50	-2.0	15.8	-
6,329 Unilock Holdings	50	-2.6	5.2	+10.6
10,991 Walter Alexander	87	+2.4	5.0	+5.8
4,224 W. S. Yates	181	-11.5	6.3	+7.0

\*Accounts prepared under provision of SSAP15.

## Wall Street

New York, March 7.—The stock market was unable to sustain several attempts to improve today after a lower opening and finished around its worst level of the day. Declining issues led advances by 1,223 to 361, with 338 issues holding unchanged. The average price per share lost 50 cents.

The Dow Jones industrial average, which made one recovery try during the morning and a second at mid-afternoon, closed at 820.56, down 7.51. Volume rose to 50,950,000 shares from the 49,610,000 traded yesterday.

## Gold lower

New York, March 7.—GOLD in NY closed down 1/4 ounce, between \$300.00 and \$300.50. The market was hit by a lower opening and finished around its worst level of the day. Declining issues led advances by 1,223 to 361, with 338 issues holding unchanged. The average price per share lost 50 cents.

COCAOA futures closed moderately active with prices down 1/4 cent to 1.65 cents in most positions. March 1980, 1.65; May 1980, 1.65; July 1980, 1.65; Sept 1980, 1.65; Dec 1980, 1.65; Mar 1981, 1.65; May 1981, 1.65; July 1981, 1.65; Sept 1981, 1.65; Dec 1981, 1.65; Mar 1982, 1.65; May 1982, 1.65; July 1982, 1.65; Sept 1982, 1.65; Dec 1982, 1.65; Mar 1983, 1.65; May 1983, 1.65; July 1983, 1.65; Sept 1983, 1.65; Dec 1983, 1.65; Mar 1984, 1.65; May 1984, 1.65; July 1984, 1.65; Sept 1984, 1.65; Dec 1984, 1.65; Mar 1985, 1.65; May 1985, 1.65; July 1985, 1.65; Sept 1985, 1.65; Dec 1985, 1.65; Mar 1986, 1.65; May 1986, 1.65; July 1986, 1.65; Sept 1986, 1.65; Dec 1986, 1.65; Mar 1987, 1.65; May 1987, 1.65; July 1987, 1.65; Sept 1987, 1.65; Dec 1987, 1.65; Mar 1988, 1.65; May 1988, 1.65; July 1988, 1.65; Sept 1988, 1.65; Dec 1988, 1.65; Mar 1989, 1.65; May 1989, 1.65; July 1989, 1.65; Sept 1989, 1.65; Dec 1989, 1.65; Mar 1990, 1.65; May 1990, 1.65; July 1990, 1.65; Sept 1990, 1.65; Dec 1990, 1.65; Mar 1991, 1.65; May 1991, 1.65; July 1991, 1.65; Sept 1991, 1.65; Dec 1991, 1.65; Mar 1992, 1.65; May 1992, 1.65; July 1992, 1.65; Sept 1992, 1.65; Dec 1992, 1.65; Mar 1993, 1.65; May 1993, 1.65; July 1993, 1.65; Sept 1993, 1.65; Dec 1993, 1.65; Mar 1994, 1.65; May 1994, 1.65; July 1994, 1.65; Sept 1994, 1.65; Dec 1994, 1.65; Mar 1995, 1.65; May 1995, 1.65; July 1995, 1.65; Sept 1995, 1.65; Dec 1995, 1.65; Mar 1996, 1.65; May 1996, 1.65; July 1996, 1.65; Sept 1996, 1.65; Dec 1996, 1.65; Mar 1997, 1.65; May 1997, 1.65; July 1997, 1.65; Sept 1997, 1.65; Dec 1997, 1.65; Mar 1998, 1.65; May 1998, 1.65; July 1998, 1.65; Sept 1998, 1.65; Dec 1998, 1.65; Mar 1999, 1.65; May 1999, 1.65; July 1999, 1.65; Sept 1999, 1.65; Dec 1999, 1.65; Mar 2000, 1.65; May 2000, 1.65; July 2000, 1.65; Sept 2000, 1.65; Dec 2000, 1.65; Mar 2001, 1.65; May 2001, 1.65; July 2001, 1.65; Sept 2001, 1.65; Dec 2001, 1.65; Mar 2002, 1.65; May 2002, 1.65; July 2002, 1.65; Sept 2002, 1.65; Dec 2002, 1.65; Mar 2003, 1.65; May 2003, 1.65; July 2003, 1.65; Sept 2003, 1.65; Dec 2003, 1.65; Mar 2004, 1.65; May 2004, 1.65; July 2004, 1.65; Sept 2004, 1.65; Dec 2004, 1.65; Mar 2005, 1.65; May 2005, 1.65; July 2005, 1.65; Sept 2005, 1.65; Dec 2005, 1.65; Mar 2006, 1.65; May 2006, 1.65; July 2006, 1.65; Sept 2006, 1.65; Dec 2006, 1.65; Mar 2007, 1.65; May 2007, 1.65; July 2007, 1.65; Sept 2007, 1.65; Dec 2007, 1.65; Mar 2008, 1.65; May 2008, 1.65; July 2008, 1.65; Sept 2008, 1.65; Dec 2008, 1.65; Mar 2009, 1.65; May 2009, 1.65; July 2009, 1.65; Sept 2009, 1.65; Dec 2009, 1.65; Mar 2010, 1.65; May 2010, 1.65; July 2010, 1.65; Sept 2010, 1.65; Dec 2010, 1.65; Mar 2011, 1.65; May 2011, 1.65; July 2011, 1.65; Sept 2011, 1.65; Dec 2011, 1.65; Mar 2012, 1.65; May 2012, 1.65; July 2012, 1.65; Sept 2012, 1.65; Dec 2012, 1.65; Mar 2013, 1.65; May 2013, 1.65; July 2013, 1.65; Sept 2013, 1.65; Dec 2013, 1.65; Mar 2014, 1.65; May 2014, 1.65; July 2014, 1.65; Sept 2014, 1.65; Dec 2014, 1.65; Mar 2015, 1.65; May 2015, 1.65; July 2015, 1.65; Sept 2015, 1.65; Dec 2015, 1.65; Mar 2016, 1.65; May 2016, 1.65; July 2016, 1.65; Sept 2016, 1.65; Dec 2016, 1.65; Mar 2017, 1.65; May 2017, 1.65; July 2017, 1.65; Sept 2017, 1.65; Dec 2017, 1.65; Mar 2018, 1.65; May 2018, 1.65; July 2018, 1.65; Sept 2018, 1.65; Dec 2018, 1.65; Mar 2019, 1.65; May 2019, 1.65; July 2019, 1.65; Sept 2019, 1.65; Dec 2019, 1.65; Mar 2020, 1.65; May 2020, 1.65; July 2020, 1.65; Sept 2020, 1.65; Dec 2020, 1.65; Mar 2021, 1.65; May 2021, 1.65; July 2021, 1.65; Sept 2021, 1.65; Dec 2021, 1.65; Mar 2022, 1.65; May 2022, 1.65; July 2022, 1.65; Sept 2022, 1.65; Dec 2022, 1.65; Mar 2023, 1.65; May 2023, 1.65; July 2023, 1.65; Sept 2023, 1.65; Dec 2023, 1.65; Mar 2024, 1.65; May 2024, 1.65; July 2024, 1.65; Sept 2024, 1.65; Dec 2024, 1.65; Mar 2025, 1.65; May 2025, 1.65; July 2025, 1.65; Sept 2025, 1.65; Dec 2025, 1.65; Mar 2026, 1.65; May 2026, 1.65; July 2026, 1.65; Sept 2026, 1.65; Dec 2026, 1.65; Mar 2027, 1.65; May 2027, 1.65; July 2027, 1.65; Sept 2027, 1.65; Dec 2027, 1.65; Mar 2028, 1.65; May 2028, 1.65; July 2028, 1.65; Sept 2028, 1.65; Dec 2028, 1.65; Mar 2029, 1.65; May 2029, 1.65; July 2029, 1.65; Sept 2029, 1.65; Dec 2029, 1.65; Mar 2030, 1.65; May 2030, 1.65; July 2030, 1.65; Sept 2030, 1.65; Dec 2030, 1.65; Mar 2031, 1.65; May 2031, 1.65; July 2031, 1.65; Sept 2031, 1.65; Dec 2031, 1.65; Mar 2032, 1.65; May 2032, 1.65; July 2032, 1.65; Sept 2032, 1.65; Dec 2032, 1.65; Mar 2033, 1.65; May 2033, 1.65; July 2033, 1.65; Sept 2033, 1.65; Dec 2033, 1.65; Mar 2034, 1.65; May 2034, 1.65; July 2034, 1.65; Sept 2034, 1.65; Dec 2034, 1.65; Mar 2035, 1.65; May 2035, 1.65; July 2035, 1.65; Sept 2035, 1.65; Dec 2035, 1.65; Mar 2036, 1.65; May 2036, 1.65; July 2036, 1.65; Sept 2036, 1.65; Dec 2036, 1.65; Mar 2037, 1.65; May 2037, 1.65; July 2037, 1.65; Sept 2037, 1.65; Dec 2037, 1.65; Mar 2038, 1.65; May 2038, 1.65; July 2038, 1.65; Sept 2038, 1.65; Dec 2038, 1.65; Mar 2039, 1.65; May 2039, 1.65; July 2039, 1.65; Sept 2039, 1.65; Dec 2039, 1.65; Mar 2040, 1.65; May 2040, 1.65; July 2040, 1.65; Sept 2040, 1.65; Dec 2040, 1.65; Mar 2041, 1.65; May 2041, 1.65; July 2041, 1.65; Sept 2041, 1.65; Dec 2041, 1.65; Mar 2042, 1.65; May 2042, 1.65; July 2042, 1.65; Sept 2042, 1.65; Dec 2042, 1.65; Mar 2043, 1.65; May 2043, 1.65; July 2043, 1.65; Sept 2043, 1.65; Dec 2043, 1.65; Mar 2044, 1.65; May 2044, 1.65; July 2044, 1.65; Sept 2044, 1.65; Dec 2044, 1.65; Mar 2045, 1.65; May 2045, 1.65; July 2045, 1.65; Sept 2045, 1.65; Dec 2045, 1.65; Mar 2046, 1.65; May 2046, 1.65; July 2046, 1.65; Sept 2046, 1.65; Dec 2046, 1.65; Mar 2047, 1.65; May 2047, 1.65; July 2047, 1.65; Sept 2047, 1.65; Dec 2047, 1.65; Mar 2048, 1.65; May 2048, 1.65; July 2048, 1.65; Sept 2048, 1.65; Dec 2048, 1.65; Mar 2049, 1.65; May 2049, 1.65; July 2049, 1.65; Sept 2049, 1.65; Dec 2049, 1.65; Mar 2050, 1.65; May 2050, 1.65; July 2050, 1.65; Sept 2050, 1.65; Dec 2050, 1.65; Mar 2051, 1.65; May 2051, 1.65; July 2051, 1.65; Sept 2051, 1.65; Dec 2051, 1.65; Mar 2052, 1.65; May 2052, 1.65; July 2052, 1.65; Sept 2052, 1.65; Dec 2052, 1.65; Mar 2053, 1.65; May 2053, 1.65; July 2053, 1.65; Sept 2053, 1.65; Dec 2053, 1.65; Mar 2054, 1.65; May 2054, 1.65; July 2054, 1.65; Sept 2054, 1.65; Dec 2054, 1.65; Mar 2055, 1.65; May 2055, 1.65; July 2055, 1.65; Sept 2055, 1.65; Dec 2055, 1.65; Mar 2056, 1.65; May 2056, 1.65; July 2056, 1.65; Sept 2056, 1.65; Dec 2056, 1.65; Mar 2057, 1.65; May 2057, 1.65; July 2057, 1.65; Sept 2057, 1.65; Dec 2057, 1.65; Mar 2058, 1.65; May 2058, 1.65; July 2058, 1.65; Sept 2058, 1.65; Dec 2058, 1.65; Mar 2059, 1.65; May 2059, 1.65; July 2059, 1.65; Sept 2059, 1.65; Dec 2059, 1.65; Mar 2060, 1.65; May 2060, 1.65; July 2060, 1.65; Sept 2060, 1.65; Dec 2060, 1.65; Mar 2061, 1.65; May 2061, 1.65; July 2061, 1.65; Sept 2061, 1.65; Dec 2061, 1.65; Mar 2062, 1.65; May 2062, 1.65; July 2062, 1.65; Sept 2062, 1.65; Dec 2062, 1.65; Mar 2063, 1.65; May 2063, 1.65; July 2063, 1.65; Sept 2063, 1.65; Dec 2063, 1.65; Mar 2064, 1.65; May 2064, 1.65; July 2064, 1.65; Sept 2064, 1.65; Dec 2064, 1.65; Mar 2065, 1.65; May 2065, 1.65; July 2065, 1.65; Sept 2065, 1.65; Dec 2065, 1.65; Mar 2066, 1.65; May 2066, 1.65; July 2066, 1.65; Sept 2066, 1.65; Dec 2066, 1.65; Mar 2067, 1.65; May 2067, 1.65; July 2067, 1.65; Sept 2067, 1.65; Dec 2067, 1.65; Mar 2068, 1.65; May 2068, 1.65; July 2068, 1.65; Sept 2068, 1.65; Dec 2068, 1.65; Mar 2069, 1.65; May 2069, 1.65; July 2069, 1.65; Sept 2069, 1.65; Dec 2069, 1.65; Mar 2070, 1.65; May 2070, 1.65; July 2070, 1.65; Sept 2070, 1.65; Dec 2070, 1.65; Mar 2071, 1.65; May 2071, 1.65; July 2071, 1.65; Sept 2071, 1.65; Dec 2071, 1.65; Mar 2072, 1.65; May 2072, 1.65; July 2072, 1.65; Sept 2072, 1.65; Dec 2072, 1.65; Mar 2073, 1.65; May 2073, 1.65; July 2073, 1.65; Sept 2073, 1.65; Dec 2073, 1.65; Mar 2074, 1.65; May 2074, 1.65; July 2074, 1.65; Sept 2074, 1.65; Dec 2074, 1.65; Mar 2075, 1.65; May 2075, 1.65; July 2075, 1.65; Sept 2075, 1.65; Dec 2075, 1.65; Mar 2076, 1.65; May 2076, 1.65; July 2076, 1.65; Sept 2076, 1.65; Dec 2076, 1.65; Mar 2077, 1.65; May 2077, 1.65; July 2077, 1.65; Sept 2077, 1.65; Dec 2077, 1.65; Mar 2078, 1.65; May 2078, 1.65; July 2078, 1.65; Sept 2078, 1.65; Dec 2078, 1.65; Mar 2079, 1.65; May 2079, 1.65; July 2079, 1.65; Sept 2079, 1.65; Dec 2079, 1.65; Mar 2080, 1.65; May 2080, 1.65; July 2080, 1.65; Sept 2080, 1.65; Dec 2080, 1.65; Mar 2081, 1.65; May 2081, 1.65; July 2081, 1.65; Sept 2081, 1.65; Dec 2081, 1.65; Mar 2082, 1.65; May 2082, 1.65; July 2082, 1.65; Sept 2082, 1.65; Dec 2082, 1.65; Mar 2083, 1.65; May 2083, 1.65; July 2083, 1.65; Sept 2083, 1.65; Dec 2083, 1.65; Mar 2084, 1.65; May 2084, 1.65; July 2084, 1.65; Sept 2084, 1.65; Dec 2084, 1.65; Mar 2085, 1.65; May 2085, 1.65; July 2085, 1.65; Sept 2085, 1.65; Dec 2085, 1.65; Mar 2086, 1.65; May 2086, 1.65; July 2086, 1.65; Sept 2086, 1.65; Dec 2086, 1.65; Mar 2087, 1.65; May 2087, 1.65; July 2087, 1.65; Sept 2087, 1.65; Dec 2087, 1.65; Mar 2088, 1.65; May 2088, 1.65; July 2088, 1.65; Sept 2088, 1.65; Dec 2088, 1.65; Mar 2089, 1.65; May 2089, 1.65; July 2089, 1.65; Sept 2089, 1.65; Dec 2089, 1.65; Mar 2090, 1.65; May 2090, 1.65; July 2090, 1.65; Sept 2090, 1.65; Dec 2090, 1.65; Mar 2091, 1.65; May 2091, 1.65; July 2091, 1.65; Sept 2091, 1.65; Dec 2091, 1.65; Mar 2092, 1.65; May 2092, 1.65; July 2092, 1.65; Sept 2092, 1.65; Dec 2092, 1.65; Mar 2093, 1.65; May 2093, 1.65; July 2093, 1.65; Sept 2093, 1.65; Dec 2093, 1.65; Mar 2094, 1.65; May 2094, 1.65; July 2094, 1.65; Sept 2094, 1.65; Dec 2094, 1.65; Mar 2095, 1.65; May 2095, 1.65; July 2095, 1.65; Sept 2095, 1.65; Dec 2095, 1.65; Mar 2096, 1.65; May 2096, 1.65; July 2096, 1.65; Sept 2096, 1.65; Dec 2096, 1.65; Mar 2097, 1.65; May 2097, 1.65; July 2097, 1.65; Sept 2097, 1.65; Dec 2097, 1.65; Mar 2098, 1.65; May 2098, 1.65; July 2098, 1.65; Sept 2098, 1.65; Dec 2098, 1.65; Mar 2099, 1.65; May 2099, 1.65; July 2099, 1.65; Sept 2099, 1.65; Dec 2099, 1.65; Mar 2100, 1.65; May 2100, 1.65; July 2100, 1.65; Sept 2100, 1.65; Dec 2100, 1.65; Mar 2101, 1.65; May 2101, 1.65; July 2101, 1.65; Sept 2101, 1.65; Dec 2101, 1.65; Mar 2102, 1.65; May 2102, 1.65; July 2102, 1.65; Sept 2102, 1.65; Dec 2102, 1.65; Mar 2103, 1.65; May 2103, 1.65; July 2103, 1.65; Sept 2103, 1.65; Dec 2103, 1.65; Mar 2104, 1.65; May 2104, 1.65; July 2104, 1.65; Sept 2104, 1.65; Dec 2104, 1.65; Mar 2105, 1.65; May 2105, 1.65; July 2105, 1.65; Sept 2105, 1.65; Dec 2105, 1.65; Mar 2106, 1.65; May 2106, 1.65; July 2106, 1.65; Sept 2106, 1.65; Dec 2106, 1.65; Mar 2107, 1.65; May 2107, 1.65; July 2107, 1.65; Sept 2107, 1.65; Dec 2107, 1.65; Mar 2108, 1.65; May 2108, 1.65; July 2108, 1.65; Sept 2108, 1.65; Dec 2108, 1.65; Mar 2109, 1.65; May 2109, 1.65; July 2109, 1.65; Sept 2109, 1.65; Dec 2109, 1.65; Mar 2110, 1.65; May 2110, 1.65; July 2110, 1.65; Sept 2110, 1.65; Dec 2110, 1.65; Mar 2111, 1.65; May 2111, 1.65; July 2111, 1.65; Sept 2111, 1.65; Dec 2111, 1.65; Mar 2112, 1.65; May 2112, 1.65; July 2112, 1.65; Sept 2112, 1.65; Dec 2112, 1.65; Mar 2113, 1.65; May 2113, 1.65; July 2113, 1.65; Sept 2113, 1.65; Dec 2113, 1.65; Mar 2114, 1.65; May 2114, 1.65; July 2114, 1.65; Sept 2114, 1.65; Dec 2114, 1.65; Mar 2115, 1.65; May 2115, 1.65; July 2115, 1.65; Sept 2115, 1.65; Dec 2115, 1.65; Mar 2116, 1.65; May 2116, 1.65; July 2116, 1.65; Sept 2116, 1.65; Dec 2116, 1.65; Mar 2117, 1.65; May 2117, 1.65; July 2117, 1.65; Sept 2117, 1.65; Dec 2117, 1.65; Mar 2118, 1.65; May 2118, 1.65; July 2118, 1.65; Sept 2118, 1.65; Dec 2118, 1.65; Mar 2119, 1.65; May 2119, 1.65; July 2119, 1.65; Sept 2119, 1.65; Dec 2119, 1.65; Mar 2120, 1.65; May 2120, 1.65; July 2120, 1.65; Sept 2120, 1.65; Dec 2120, 1.65; Mar 2121, 1.65; May 2121, 1.65; July



## Stock Exchange Prices

# Capitalization and week's change

— **Final Today.** Dealings End, March 21. **Contango Day,** March 24. **Settlement Day,** March 25.

§ Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)

[illegible]















## RADIO

Radio 4

## Radio 3

### **ouché Turtle : Cartoon**

2.5 **Jackany:** Jenny Agutter begins reading the Mill House by Marjorie Ann Watts.

4.46 **Heyyy, It's the Klag:** Cartoon

5.06 **John Craven's Newsworld:**

5.56 **Blue Peter:** With Mothering Sunday in mind, the team demonstrates how to make everlasting violins.

5.55 **Paddington:** A different version of the famous bear (r).

5.56 **Blue Peter:** With Richard Baines.

5.55 **Nafftown:**

6.50 **A Question of Sport:** Guests are athletes Soala Lannaman, cricketer David Balastron, rugby star Evan Ashton and footballer John Toshack.

7.20 **Blake's Seven:** The Liberator encounters a strange artificial planet called Ultraworld. It looks harmless enough, but . . .

8.00 **News with Richard Baines:**

9.25 **The Monday Film:** *Fred (1972)*. Evan Hunter gets the credit for the film, which is based on a novel by his alter ego, Ed McBain about the now famous 87 Precinct.

**Who seems to be the most** likely to win the Academy Award for Best Actor? **Wally Pfister**, who wrote the screenplay for *The Artist*. **And** **Rachael Welch** as lady cop. I always thought McBain's fuzz were New Yorkers, whereas his team seems to be from Boston. Still, I'm only a Limey.

**10.50 Film 89:** Barry Norman looks at star-studded new movie about the sinking of the Titanic and talks to Stanley Kramer, director of *The Runner Stumbles*, which marks the return to feature films after nine years of Dick Van Dyke.

**11.35 Education Matters:** Adam Hopkins talks to Corinne Hutcheon about the standard of nursery education and the needs of the under-fives.

**11.50 News and weather.**

**Regions**

**SBC 1 VARIATIONS:** Wales: 7.45 pop Paul 8.40 Isle and the Barn on 9.10 pop 9.40 News Today. 9.50 Hedding 11.30 News and weather. Close. South East: 7.45 pop 8.40 News Today. 9.15 pop 9.40 I'm Great Life. 12.40 The Scotland Show. 1.40 pop 2.10 News and weather. Close. North West: 7.45 pop 8.40 News and weather. Close. Manchester: 7.45 pop 8.40 News and weather. Around Six: 11.30 News and weather. Around Seven: 11.30 Regional News and weather. 12.00 Close.

10.30 Daily Service.  
10.45 Serial: Wings Over Wales  
(6).  
11.00 News.  
11.05 *What Am I? I Need to Know.*  
11.15 *Posters: Please!*  
12.00 News.  
12.02 *Put on Your Yours.*  
12.27 *Brain of Britain 1980+.*  
12.55 *Weather.*  
1.00 News.  
1.40 *The Archers.*  
2.00 News.  
2.02 *Woman's Hour.*  
3.00 News.  
3.02 *Listen With Mother.*  
3.15 *Play: Vivian the Blockbuster.*  
4.45 *Short Story.*  
5.05 *PW News Magazine.*  
5.55 *Weather.*  
6.00 News.  
6.30 *Frank Muir goes into . . .*  
7.00 News.  
7.05 *The Archers.*  
7.20 *Science News.*  
7.45 *Play: Day Return, by Philipps Monnet.*  
9.00 *The Women Gardeners, Mary Gale.*  
9.30 *Fishdisco.*  
10.00 News.  
10.08 *News Quiz.*  
11.00 *A Book at Bedtime.*

- 8. Schubert, Mendelssohn, &
- 9. 45 Records: Davies, Bax, Elgar
- Williamson.
- 9.00 News.
- 9.05 At the Court of Gustav III.
- 9.45 Now and Then: Macanthy
- 10.00 Brahms, Schumann, &
- 10.50 The Bach Family.†
- 11.45 BBC Scottish S.O.: Enesco
- Shostakovich.†
- 1.00 pm News.
- 1.15 BBC Lunchtime Concert
- Martyn.
- 2.10 Organ: Mozart, Lewis, Glou-
- Alain.†
- 2.50 Matinee Musicale.†
- 3.50 New Records: Debussy, Rou-
- rigo, Bruckner.†
- 4.35 News.
- 5.00 Mainly for Poets.†
- 7.00 Opera: Die Soldaten, by Bern-
- Alois Zimmermann, Act 1.†
- 8.15 Talk: The Rise and Fall of
- the
- 8.35 Die Soldaten, acts 3 and 4.†
- 9.45 The Vision of Piers I.
- Ploughman (4.†)
- 10.15 Piano: Ireland, Grie-
- 10.50 Records: Hassler, Haydn.†
- 11.25 Jazz in Britain.†

**Radio 1**  
5.00 am As and Radio 2. 6.00 Days  
and Travels. 9.00 Simon Bates. 11.30  
Paul Burnett. 2.00 pm  
Peebles. 4.31 Kirk Jensen. 7.00  
Stayin' Alive. 8.00 Mike Read. 9.50  
Newscast. 10.00 John Peel. 12.00  
5.00 am As and Radio 2.

**VEP RADIOS 1 AND 2 : 5.00 am**  
and Radio 2. 10.00 pm With  
Radio 1. 12.00-5.00 am With Radio  
2.

**World Service**  
BBC World Service can be received  
Western Europe on medium wave  
and 6.00 am. 6.00 am is the  
5.00 am Newswatch. 7.00 World  
News. 7.30 News. 7.50  
Story 8.00 World News. 8.05  
News. 8.15 News. 8.30  
Fever. 9.00 World News. 9.05  
News. 9.15 News. 9.30  
Rock Choir. 9.40 Look Ahead. 9.50  
Sumo. 10.00 News. 10.10  
Brenders. 10.15  
10.30 British. 11.15 World  
Club. 11.30  
11.45 News. 12.00  
Benny Greaves' Album  
12.15 News. 12.30  
1.00 Presenters' Hour. 1.30  
1.45 News. 2.00  
The Galaxy. 2.30 John Peel. 3.00  
2.15 News. 3.30  
News. 4.00  
4.15 News. 4.30  
4.45 News. 5.00

kipper filets and smoked fish pie  
(Repeat from Friday).

5.40 **Open University** Teacher  
Pimlico School, London (P). Closed  
down at 4.25.

4.50 **Open University** Teacher  
Practice, S.15: Math: 18th  
Century.

5.40 **Flash Gordon**: Buster Crabbe  
in episode 9 of the classic cinema  
serial.

6.00 **James Burke's Connections**  
Linda Jackson narrates how Bom-  
ber, Prince Charlie and the Scotch  
Whisky are connected. The repeat  
telegraph. Well, just fancy the  
5.40 **travelling Dogs the Wood**  
house W5: just with subtitles for the  
hard of hearing.

7.30 **Rock Goes to College**: App-  
le, a man from Montreal.

8.15 **Great Reading University**.  
Wise, Mark Caine: With guest  
Linda Lewis and cellist Julian  
3.00 **Yes Minister**: The best that

to happen to sitcom for years.  
Hacker decides that one man  
can't do it. So he gets a  
proves to be one too many for his  
minister. Stars Paul Eddinga and  
Ned Beatty. **10.20 Russian-Language**  
10.30 **Hemlock**: Encounter with Jupiter  
film. From alien worlds which  
makes science fiction come true.  
The plot is perhaps the best  
explication. Martin Jarvis narrates  
film based on the findings of the  
two American spacecraft Voyagers  
and the discovery of a body in  
where no man... **10.20 Russian-Language**  
People: Part 3  
10.30 **News**: Including  
report on safety at Aldermaston  
the secret nuclear weapons estab-  
lishment near Salisbury.  
10.35 **Secrets**: Mentioned in Dis-  
patches. The story of war photo-  
grapher Tim Page. (r)  
10.40 **News**: Including Rye coast  
Philip Larkin's An Arundel Tomb  
(r).

**WAVELENGTHS:** Radio 1 medium  
or 433m/693KHz and 88-91 VLF.  
1500m/200KHz and 52-95 VLF.  
Capital 194m, 55.8 VLF. WBF

**Channel**

As scheduled; 12:00-12:30 pm  
radio by 1:30 Chinese News,  
7:00-7:30 Chinese News, 7:30-  
and 8:00 Chinese News, 8:00-  
Five and Peking, 8:15 Universal  
News, 8:30 Chinese News.

[illegible]

953KHz. Radio 2 med wave 330m/959KHz  
 720KHz/417m. VLP. Radio 4 long w  
 161m, 973.7 KHz.  
 BBC Radio London 206m. 94.9 V

master on a trip to Hingham Hall, Suffolk. Also, how to reach jail soundings.

**W**ASHINGTON STATE Bachelors' League (1958), Leslie Briceau was Frederick Raphael wrote the screenplay for this unspectacular play about the life of a Washington University, Harry Karger, Jr., M.D. Syma. Ronald Lewis. Sarah Steele. John Chappell.

**A**LICIA Chamberlaine: Chris Lee talks at the making of the SOS Titanic and walks to a survival camp which really happened during war in 1942.

**J**ACKS Piccadilly: The 1940s version Green. Episodic 1. A break and background for this last two-nights in the current series. With N. Hawthorne, Manning Wilson, A. J. Liska.

**M**ONEY-Go-Round: The prizes and perils of working from home; a new code of practice.

Exchange. With Joan Sheenton a  
Tony Bastable.  
5.45 News.  
6.30 Thames News.  
6.35 Crossroads: Distressing an  
and a new character, David Ham  
and Barbara Brady feel the need  
justify themselves.  
7.00 The Kenny Everett Vi  
series.  
7.25 Caracation Story: Desir  
returns.  
8.00 Robinson's Illustrated.  
8.30 World in action: Follow  
Yellowcake (see Perso  
Choice).  
9.00 News. New drama series  
Personal Choice.  
10.00 News.  
10.10 Film: The Monday Film: The M  
centuries (1968). Jack carr  
blood, aunts and romance late  
the Belgian Congo during the  
the 19th century. Pierre Min  
and, perhaps surprisingly, Kimm  
More.  
10.40 News Close: Asns Ford r  
Wordworth's Lines Written

[illegible]

**Southern**

At London, except 12.00 pm, South  
Africa House of Representatives,  
10.00-5.20. **South Africa News.**  
10.00-11.00. **South African Music In Chamber.** 12.30.  
**Weather and Endangered Species.**

**Border**

At London except 12.00 pm B  
South Africa House of Representat  
University Challenge, 8.00. **South  
African Wildlife Conference.** 11.30.  
Legrand, 12.30. At Border new

**Scottish**

At London except 12.00 pm S  
Scotland Film House of Repre  
3.45. **Wine and Food.**  
10.00-11.00. **Scottish Croquetists.**  
Scotland Today, 8.00. **Scottish  
Wildlife Conference Report.** 11.30.  
Call, 11.35. **Hare Girls Will Travel**

**Yorkshire**

At London except 12.00 pm Y  
Yorkshire Cup in the Home  
3.45. **Carlton's 1986 Year.** 10.00.  
Yorkshire Police Stars, 10.00.  
6.00. **Calendar.** 10.30. **Kinky**

[illegible]

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